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ABSTRACT

The impact of demographic shifts and enrollment declines for higher education are examined, and possible institutional responses to these problems are studied. After a review of the national statistics and projections of future enrollment trends, attention is directed to the campus level and the dimensions of current enrollment problems. Based on a 1981 national survey of college presidents and admissions directors, the following issues are considered: how campus presidents view their respective institution's ability to tolerate the expected difficulties ahead; the dimensions of the enrollment problem for individual campuses; and institutional finances in light of anticipated cuts in government support. Institutional response to enrollment problems include enrollment management and information systems, marketing, and student recruitment practices. Research on student attrition has revealed the following negative financial and programmatic consequences for the institution: direct loss of revenue, recruitment and image costs, and undermining of the diversity of the curriculum. Policy areas that should be addressed by campuses facing enrollment problems include: planning strategies, including cost studies, enrollment forecasts, and program review; shared decision-making between the faculty and the administration; staffing and personnel policies; and the revitalization of student life and the linkage of faculty and student affairs personnel. The activities of eight liberal arts colleges that are reducing attrition rates by direct action and cooperative effort are also reviewed. A bibliography is appended. (SW)

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# *The Enrollment Crisis:*

## *Factors, Actors, and Impacts*

*J. Victor Baldridge*
*Frank R. Kemerer*
*Kenneth C. Green*

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# Enrollments in the Eighties
## Factors, Actors, and Impacts

**J. Victor Baldridge, Frank R. Kemerer, and Kenneth C. Green**

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## Foreword

That colleges and universities will face an "enrollment crisis" during the 1980s has been well established and appears inevitable. The National Center for Education Statistics predicts that between 1980 and 1988 there will be an overall decrease of 7.5 percent in student enrollments. For four-year institutions, undergraduate enrollment will drop by 17 percent with little or no increase in the number of part-time students. However, for two-year institutions, NCES predicts an increase of approximately 60 percent in the number of full- and part-time students. Other organizations and agencies forecast greater or lesser declines. Regardless of the magnitude of the predictions, several facts are undeniable:

- There will be a more than 11 percent decrease in the traditional college-age population from 1979 to 1988.
- Some colleges in each institutional categories that will increase their enrollments because of their academic reputation or geographic location while others will experience a decline.
- Changing enrollments will significantly affect institutional finances, programs, quality, governance and decision making, and faculty hiring and promotion as well as government policies for higher education.
- Recent cuts in federal and state funding for higher education will further aggravate the enrollment problem.

If colleges and universities are to effectively address difficulties caused by declining enrollments they must seriously consider critical decisions related to faculty staffing, planning, and administrative reorganization. In this report, J. Victor Baldridge, senior research sociologist at the Higher Education Institute of the University of California at Los Angeles, Frank R. Kemerer, professor of education law and administration at North Texas State University, and Kenneth C. Green, research analyst at the Higher Education Research Institute, examine the impact of demographic shifts and enrollment declines and outline possible institutional responses to these problems. This monograph synthesizes the recent literature on enrollment and demographic issues affecting colleges and universities and presents the results of a national survey of college presidents and admissions directors conducted by the authors in 1981.

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## Preface

The postwar expansion of American higher education was fostered by three factors: the postwar baby boom, the growth of government support for postsecondary education, and the demand for a trained/credentialed labor force stimulated by the growth of the American economy since 1945. For 35 years—from the Servicemen's Readjustment Act of 1944 (the G.I. Bill), through the booming business cycle of the 1960s, to the peak in the number of high school graduates in 1979—babies, budgets, and business had a profound impact on the growth, development, and finances of American higher education.

The new decade marks a major point of transition. The academic community confronts two major problems in the 1980s: declining enrollments and a changing perspective on federal and state support for higher education. Each would be enough to contribute to a sense of insecurity in academe. Together, they threaten to bring a new depression to American higher education.

Of the two, the "enrollment crisis" is perhaps best understood. The causes are well known and the consequences are fairly obvious. Demographics have always had a fairly predictable, if often unacknowledged, effect on higher education. Allan Cartter's predictions of a coming surplus of Ph.D.s—academic heresy when first published in 1965—were based on his thoughtful analyses of demographic trends and the educational pipeline for graduate degrees. Since the postwar birth rate officially peaked in 1961, the higher education community has known about the impending enrollment declines of the 1980s for some time. But only recently have researchers and policymakers begun to devote much attention to the impact of demographic shifts and enrollment declines on such issues as institutional finances, program and institutional quality, governance and decision making, faculty hiring and promotion policies, and government policy for higher education. Other concerns such as minority access and participation, a changing job market for college graduates, the growing demands for accountability, and the rise of faculty unionization captured the attention of academic leaders, researchers, and policymakers during the 1970s.

If the enrollment crisis was predictable, the recent dramatic shifts in government social program spending caught most of the academic community by surprise. In retrospect, the slowed growth of government spending in the mid-1970s seems a minor event when compared with federal and state budget cuts recently implemented and still anticipated. Prior to the 1980 presidential election, virtually all discussions of the impact and consequence of declining enrollments assumed generally stable government funding for higher education. However, the federal budget cuts initiated in fiscal 1981 were coupled with reductions in state funding mandated either by Proposition 13-like voter initiatives or by state legislators caught up in the current wave of reorganizing fiscal and funding priorities. Both could have a major negative impact on a host of academic policies, programs, and practices. In this manuscript we explore the impact of these demographic and financial changes on higher education.

**A Word About Research Methods**

The AAHE-ERIC/Higher Education Research Report series reviews the current literature about important topics in higher education. We have attempted to integrate and reference the currently available material on demographic and related issues affecting higher education in the 1980s.

In addition to the literature we also include new survey data. In the spring and summer of 1981 the authors conducted a national survey of 760 college presidents and 760 admissions directors. Seventy-three percent of the presidents and 70 percent of the admissions directors returned the questionnaires. The survey is referred to throughout the manuscript as the "1981 National Enrollment Survey." We focus on three major types of institutions: universities, four-year colleges, and two-year colleges. The survey data have been weighted to reflect approximately 2,500 institutions.

The Spencer Foundation of Chicago underwrote most of the research costs, with additional aid from the American Association of State Colleges and Universities (AASCU) and North Texas State University. We deeply appreciate the generous support of these three organizations.

We should mention that the chapter on student retention relies heavily on our experience directing a consortium of eight southern California liberal arts colleges that are working to improve student retention. The W. K. Kellogg Foundation of Battle Creek, Michigan, funded the consortium, and we want to express our appreciation to the foundation and the eight colleges for providing us with an excellent example of retention efforts related to enrollment concerns.

Finally, over a dozen case studies were conducted on campuses experiencing enrollment difficulties. The purpose was to examine first-hand the impacts on the campuses and the institutions' attempts to respond creatively.

Four sources of information, then, were integrated for this manuscript: a literature review, the 1981 National Enrollment Survey, lessons from the Southern California Retention Consortium, and on-campus case studies at a variety of institutions.

## Acknowledgments

No book ever emerges without the hard work and help of many people. In addition to the funding sources, several people deserve thanks for their assistance. H. Thomas James of the Spencer Foundation was in many respects the father of the project. Because of his strong interest in maintaining institutional quality and adaptability, he encouraged with words and money our efforts to investigate the enrollment crisis. Harold Delaney of AASCU and Robert Toulouse of North Texas State University had the strong desire to support research that could be helpful for state institutions. Peter Ellis of the Kellogg Foundation indirectly helped this project by funding the eight-college retention consortium in southern California, from which we learned much about institutional response to enrollment difficulties. We appreciate the encouragement, ideas, and trust these people have given us.

Several research assistants and secretaries made our life easier through their hard work, their creativity, and their ideas: Linda Mintz, Robin Bram, and Rebecca Highman at the Higher Education Research Institute, University of California at Los Angeles, and Sheri Smith, Pat Okimi, and Avonna Davis at North Texas State University. We owe them a great debt for their cheerful, efficient help in the face of our often not-so-cheerful and sometimes unreasonable demands.

## Overview of Research Findings

A severe enrollment decline is predicted for higher education because of the decline in the college-age population. Fears abound that colleges face enrollment shortfalls, budgetary crises, and faculty layoffs. Do college presidents and admissions officers believe these dire predictions will really come true? Our 1981 survey of both groups shows a pattern of concern coupled with strong optimism.

### College Presidents Show Concern About Enrollments

Sixty percent of the nation's college presidents agree "enrollment is a major concern," and 75 percent report their institution has experienced increased competition for students since 1976 (72 percent in public institutions, 83 percent in private). Yet, simultaneously, presidents are fairly positive about future enrollments. Presidents may be concerned, but nevertheless they expect their institutions to overcome the hurdles. Forty-two percent expect *increases* in their enrollments by 1986; only 16 percent expect declines.

Presidents believe the financial impact of declining budgets and cuts in student aid will have more impact than enrollment difficulties. They tend to be guardedly optimistic about enrollments but considerably more worried about overall finances. Twenty-six percent of the presidents believe their institutions face "fair or poor" financial prospects over the next five years. A significant number of admissions directors (40 percent) think the major student financial aid cuts instituted by the Reagan Administration will have a "severe" impact on their institutions. Nearly 60 percent of admissions directors in private institutions foresee such an impact.

Despite the recent dramatic growth of nontraditional and off-campus programs, presidents at all types of institutions report that their major source of competition is the traditional, on-campus degree program of four-year institutions. And, despite growing student interest in occupationally oriented postsecondary training, college presidents report that vocational programs and proprietary training programs play a small role in the current competition for students.

Even though the competition for students has increased, only 14 percent of the presidents report that the quality of their students has declined since 1975. Thirty-one percent report no change in student quality and 55 percent say student quality has improved.

### Different Types of Colleges Face Radically Different Futures

Some campus presidents anticipate enrollment declines, particularly those at private two-year colleges (33 percent) and private universities (27 percent). Others face the future with optimism about enrollment increases: 57 percent of community college presidents forecast enrollment increases, and 39 percent of presidents in both public and private four-year colleges see increases.

One surprising finding is the optimism of some presidents at colleges that, according to most estimates, will face the worst declines. The four-year private liberal arts colleges are the prime example. Thirty-nine per-

cent of these presidents foresee enrollment increases and "very good or excellent" finances; most of the rest see the situation "unchanged." The survey data suggest that most institutions have a "last survivor" mentality. Many college presidents seem to assume that their institutions will be immune to the 23 percent decline in the traditional college-age group over the next 15 years.

Although many public institutions will experience enrollment and financial difficulties in the 1980s, as a group they should fare better than their counterparts in the private sector. Public institutions, particularly the four-year colleges and the community colleges, will become increasingly attractive to a growing number of students, if only because of their low tuition charges. Nonetheless, public institutions may experience financial difficulties because of reduced state subsidies, not necessarily because of significant declines in their enrollment.

**Cuts in Government Financial Aid Programs a Major Concern**

Although the full dimensions of the problem are still unclear, budget cuts could mean that low-income students may get less aid and many middle-income students may get no aid. Cuts in student aid programs may reduce costs by enrolling part time, living at home, or selecting less expensive colleges. Enrollment problems in the private sector will be aggravated by student aid cuts, given the higher tuition costs.

**Colleges Have Done Little to Prepare for the 1980s**

Presidents are "concerned," the study finds, but nevertheless expect enrollment increases. This optimism may account for the fact that many campuses have done little to prepare for the future. For example, only 39 percent of the presidential respondents report that their campus has developed a written retrenchment policy, only 19 percent say they have programs encouraging early faculty retirement, and only 22 percent report having faculty retraining programs. Fewer than half the admissions directors say their budget has been increased over inflation costs during the past five years; only 21 percent report their staffs have been increased. The research reveals that only a few of the recruiting and retention strategies generally considered effective are being utilized. Most institutions have not developed and implemented comprehensive new-student marketing plans and systematic programs for reducing student attrition.

**Organization of the Monograph**

Chapter two details the national statistics and projections of future enrollment trends. Chapter three shifts the discussion to the campus level, investigating the dimensions of current enrollment problems and describing the potentially damaging impact of declining economic resources.

The next three chapters ask a straightforward, practical question: What can local campuses do about the twin problems of enrollment decline and financial stringency? How should the local campus prepare for the potential difficulties? Chapter four deals briefly with recruitment and ad-

missions, one of the most important local campus responses. Chapter five discusses another strategic institutional response, student retention. Like recruitment, retention is an area where institutions can have real impact. In this chapter we report on the activities of eight liberal arts colleges that are cutting their attrition rates by direct action and cooperative efforts. Chapter six explores a variety of other campus policy issues. If colleges and universities are to prepare for enrollment difficulties—and the 1981 survey data suggest they have not done much yet—then they must confront critical decisions affecting faculty staffing, planning, and administrative reorganization.

A constant theme dominates this book: Although the trends are ominous and seriously threaten higher education, campuses can plan, respond, act, and revitalize themselves for a healthy, dynamic response to those threats. Colleges and universities are unquestionably affected by demographic, political, and financial trends, but they are not necessarily controlled by those trends. This book tries to examine the trends square-on and realistically; but we move rapidly beyond that analysis to the dynamics of institutional response—to the actions the campuses can take to make sure they are not merely pawns driven by environmental forces.

## Enrollment Projections

Demographic factors always have had a fairly predictable if unacknowledged effect on college and university enrollments. Allan Cartter was among the first to assess this relationship carefully. In his last book, *PhDs and the Academic Labor Market* (1976), he noted that because 97 percent of college and university students are 18 and over,

> *one would think that projecting the pool of [potential college students] at least 18 years ahead would be a common and uncontroversial practice. During the great growth period for higher education in the 1960s, however, this was rarely done, and some of the disequilibrium factors now facing or soon to face higher education can be attributed to short-sightedness (Cartter 1976, p. 25).*

The 1980s mark the arrival of this disequilibrium as the demographically driven demand for higher education falls short of postsecondary educational capacity.

The Carnegie Council on Policy Studies in Higher Education has declared that the most dramatic feature of higher education in the next 20 years "is the prospect of declining enrollments" (1980, p. 32). A recent Brookings Institution report observes that "although many economic forces will bear on colleges and universities during the coming decade, none will have more impact than the changing demography of the U.S. population and its effect on the demand for higher education" (Breneman and Nelson 1980, p. 232). More than 100 colleges closed in the past decade, largely because of enrollment problems (National Center for Education Statistics 1981). Several sources estimate that another 100 to 400 private colleges may close because of enrollment problems over the next 20 years (Behn 1979; Carnegie Foundation 1975; Ihlanfeldt 1980a). A 1978 Carnegie Council survey reveals that 22 percent of American colleges and universities experienced a downward trend in full-time equivalent (FTE) enrollments between 1969–70 and 1977–78 (Stadtman 1980, Table 28). More recently, our summer 1981 National Enrollment Survey indicates that 16 percent of American college presidents anticipate a downward trend in their institution's enrollments over the next five years.

The projection about demographic problems for higher education follows three decades of unparalleled growth, fostered largely by the postwar baby boom. American colleges and universities enrolled 3.86 million students in 1960, 8.65 million students in 1970, and 11.66 million in 1979. The greatest expansion occurred between 1955 and 1970: The number of colleges increased by 36 percent—from 1,886 to 2,573. Enrollments nearly tripled during this period, up 86 percent in the private sector and nearly fourfold in the public sector. New colleges—mostly public institutions—opened at the rate of almost one per week (Finn 1978, chapter 2; Frances 1980b, pp. 6-9; U.S. General Accounting Office 1977, pp. 12–17).

The demographic forecasts for the '80s have stimulated "a behind-the-scenes debate in the inner circles of higher education establishment [that] may significantly influence the way the nation's colleges and universities

prepare for the lean years ahead" (Hechinger 1980, p. C4). Several scenarios forecast decline. The Carnegie Council (1980, chapter 3) projects about a 15 percent drop in FTE enrollments between 1981 and 1996, a loss of as many as 1.35 million FTE students. Fred Crossland, former head of the Division of Education and Public Policy at the Ford Foundation, anticipates a 15 percent reduction in total head-count enrollment, yet cautions that "full time equivalent [FTE] enrollment will probably fall somewhat more than 15 percent from the anticipated 1981 record high" because "the proportion of part-time, older, non-traditional, and drop-in/drop-out students is likely to increase" (Crossland 1980, p. 20).

Others, however, offer more optimistic projections. Carol Frances of the American Council on Education suggests that the academic community's "greatest problem may not be that we will not be unprepared for the [enrollment] decline, but that we will be so well prepared that we will make it happen" (1980b, p. 71). In contrast to what she terms the "management of decline" approach suggested by Crossland and others, Frances proposes a "strategic planning" model that could offset the anticipated decline and perhaps yield a 3.5 percent increase in FTE enrollments over the next 15 years (see Frances 1980a, pp. 42–43; and 1980b, pp. 40–70). Similar optimistic forecasts—based largely on increased college matriculation and participation rates—have been offered by Howard Bowen (1974), Leslie and Miller (1974), and the National Center for Education Statistics (Frankel and Harrison 1977).

College enrollment projections have a dubious history. Unlike elementary and secondary school enrollments, which are determined largely by birthrates, collegiate enrollments are also affected by other factors such as "economic conditions, political and administrative decisions, the status value of a degree, and the intrinsic value of higher education" (Frankel and Harrison 1977, p. 7).

**Demographic Trends in the Traditional College Cohort**

Demographic data help to separate fact from fear, reality from uncertainty. The data do not bode well for stable enrollments.

**Birth rates.** The postwar baby boom that began in 1946 finally ended in 1964. Live births rose from 2.6 million in 1946 to a peak of 4.3 million in 1957 and dropped to a postwar low of 3.1 million in 1973. Birth rates were fairly steady throughout the remainder of the 1970s, hovering around 3.2 million annually. The drop between 1964 and 1974 represents a decline of approximately 20 percent over just one decade. Birth rates began to rise again in the late 1970s, although fertility rates have remained fairly low, approximately 2.1 children per woman, which is slightly higher than the postwar low of 1.9 recorded in the late 1960s (Fishlow 1978, pp. 25–31; U.S. Bureau of the Census 1979).

**High school graduation rates.** Two factors contributed to the dramatic annual increases in high school diplomas awarded since 1955. First and

most obvious was the growing number of children who were going to school. Second was the greater proportion of the age cohort completing high school. The national campaign to encourage youngsters to stay in school and obtain a high school diploma yielded higher graduation rates. The percentage of the age cohort completing high school rose from 61.3 percent (1.35 million students) in 1955 to 74.6 percent (3.16 million students) in 1979 (Frances 1980b, Table 13A).

The decline in the size of the high school graduating class began in 1980 when 3.09 million students graduated from high school and will run through 1991 when the high school graduating class will total an estimated 2.34 million students. The decline in members reflects both the demographic events of the postwar period as well as a slight decline in the proportion of youths completing high school. (Frances 1980b, Table 13A). This will be a 25 percent drop over 12 years, more than half of which will occur during the first seven years between 1979 and 1986. After 1991, high school enrollments will increase, fostered by the first wave of children produced by the parents of the 1950s and 1960s baby boom (Western Interstate Commission on Higher Education 1979; Frances 1980b, Table 13A; Carnegie Council 1980).

**College matriculation rates.** Since 1965, access to higher education has been a major concern of both the federal government and the individual states. However, despite the recent increases in the proportion of women and minorities who enter college after graduating from high school, the overall matriculation rate for recent high school graduates has declined in recent years (Frances 1980b; Glenny 1980; National Center for Education Statistics 1979).

Several factors have adversely affected college matriculation rates. First and foremost has been the draft. The end of military conscription in 1973 also meant the end to the need for young men to attend college simply to obtain a student deferment; thus, the percentage of men 18 to 21 enrolled as undergraduates dropped from 45 percent in 1969 to 35 percent in 1977 (Carnegie Council 1980, Figure 9).

The perceived "excess" supply of young "baby-boom" workers and a fear of a "surplus" of college graduates entering the labor market may have encouraged many high school graduates, particularly young men, to pursue vocational training rather than a college degree. Other factors affecting matriculation rates include the increasing costs of college and the liberalized admissions/readmissions policies that encourage—or at least do not penalize—short-term "stopping-out." Additionally, many students have shifted to part-time attendance and more frequent interruptions in their college career (Carnegie Foundation 1975).

**Racial/ethnic differences.** There is no doubt that racial and ethnic differences, prominent in the past, will be important in the future. First and foremost is the issue of numbers. The actual number of minority youths (blacks, Hispanics, American Indians) in the 18- to 24-year-old age cohort

will change little between 1980 and 1996, hovering around five million persons. However, the minority proportion of this age group will increase 26.8 percent over this 16-year period, up from 15.3 percent of the population cohort in 1980 to 19.4 percent in 1996 (Henderson 1977; Breneman and Nelson 1980).

General population statistics also mask important racial/ethnic group differences. Among recent high school graduates, minorities are less likely to enroll in college than are whites. Astin (1982) reports college matriculation rates for recent high school graduates to be about 30 percent for Indians; 40 percent for blacks, Chicanos, and Puerto Ricans; and approximatley 46 percent for whites. Minority students are also much more likely to drop out of college once enrolled. According to the 1972 National Longitudinal Study, the four-year graduation rate for whites who entered college in 1972 was 34 percent compared to 24 percent for blacks, 16 percent for American Indians, and 13 percent for Hispanics (Eckland and Wisenbaker 1979). Undergraduate degree completion rates beyond the traditional four-year span also vary by racial/ethnic group. Over a period of nine years, roughly 56 percent of the white freshmen eventually earn a baccalaureate degree compared to roughly 40 percent for blacks and Chicanos, 30 percent for American Indians, and 45 percent for Puerto Ricans (Astin 1982; Commission on the Higher Education of Minorities 1982).

**Nontraditional Students**

A number of observers note that "nontraditional clients" (e.g., adult learners, returning women, part-time students), could be a major source of enrollment for higher education over the next 25 years. These students currently account for about 25 percent of FTE enrollments (Frances 1980b). Many institutions hope to tap this growing market segment. Yet, is this a realistic expectation?

**Adult learners.** Campus-based adult learners, particularly adult women, have been a major growth industry in higher education over the past 10 years. Adult learners are aware of the importance of educational credentials in the labor market and have been spurred on by federal and state programs intended to promote lifelong learning. The adult presence on the college campus is now greater than at any time since the years immediately following World War II. Nationwide, the proportion of college students age 25 and older has risen from 29.2 percent in 1973 to 34.7 percent in 1978, an increase of approximately 1.25 million campus-based adult learners (Frances 1970b, Table 2).*

Even with continued growth, however, it seems unlikely that adult learners will provide an adequate enrollment substitute for the traditional 18- to 22-year-old undergraduate. First, adults are far more likely to be

*These figures would be even higher if they included 22- to 24-year-olds. For a discussion of the various definitions of adult learners, see Solmon and Gordon (1981).

part-time rather than full-time students. Only 33 percent of adult students aged 24 to 35 attend full time; the figure drops to 15 percent for adults over 35; this compares with 66 percent for students aged 18 to 22 (Frances 1980b). Furthermore, because education often conflicts with family and work responsibilities, adults are more likely to stop in and stop out, fitting courses between other commitments (Solmon and Gordon 1981).

Lyman Glenny (1980) identifies five factors that, taken together, suggest that new adult learners will not compensate for the loss of traditional college students. First, nondegree education and training in business, industry, and government is already a sizable portion of the nation's postsecondary educational activity and will continue to grow. Industry programs tailored to the needs of both employee and employer are often several years ahead of classroom curricula. Second, instruction by video, coupled with the academic community's failure to capitalize on new instructional media, will compete with more traditional, campus-based programs. Third, some adults may be less inclined to pursue a degree because they feel the value of the baccalaureate has decreased. Fourth, the declining interest in college among males may reduce the participation rates of adult men. And finally, "lifelong learning" will incorporate such a range of courses and activities that few institutions will be able to compete in "this broad, open field of educational opportunities" (Glenny 1980, pp. 376–77).

Adult enrollments would have to increase significantly beyond current levels to offset projected enrollment declines. Using the 1979–82 years as a baseline for peak enrollments, the Carnegie Council projects a 15 percent decline in FTE enrollments between 1983 and 1996 (a conservative projection by some estimates), a loss of 1.35 million FTE students (Carnegie Council 1980, chapter 3). The Carnegie Council estimates that 40 percent of this decline will occur by 1989, a drop of approximately 540,000 FTE students. If adults were to replace only one-third of the students lost because of demographic shifts, a substitution ratio of five "nontraditional" adults to one "traditional" student (Cartter 1976) would require an increase of 900,000 nontraditional students by 1989 and 2.25 million by 1995. A more generous 3:1 substitution ratio (the standard ratio employed to calculate FTEs from part-time enrollments) would require more than 540,000 adults by 1989 and 1.35 million new adult learners by 1996. Even the generous .56 adults to 1 traditional student replacement figure proposed by Frances (1980b, pp. 57–63) still requires a significant increase in adult enrollments over the next two decades, approximately 320,000 adults by 1989 and more than 800,000 by 1996.

**Part-time students.** Several observers believe that continued increase in part-time enrollments, both undergraduate and graduate, could help offset some of the decline forecast for the next 20 years. In the last decade, part-time enrollments grew faster than full-time enrollments. Part-time undergraduates now account for nearly 20 percent of total undergraduate FTE enrollment, up from 11 percent in 1970 (National Center for Education Statistics 1981, Table 3.9).

Part-time enrollment, to be sure, has long been part of American higher education. Prior to the recent surge in adult enrollments, campus-based adult programs usually catered to the educational needs and occupational interests of part-time evening students. The factors that stimulated the general postwar growth of enrollments have also contributed to the increase in part-time enrollments—the rapid growth of metropolitan, open-access, public institutions; a greater emphasis on educational credentials in the labor force; and the recent expansion of federal and state financial aid programs that provide some assistance to part-time students.

However, part-time enrollments are unlikely to compensate for much of the future enrollment decline. The very same factor that will reduce full-time enrollment will reduce part-timers, namely the decline of college-age students in the population. Full-time and part-time students are drawn from the same pool of potential matriculants, particularly in public institutions. The 18- to 22-year-old potential part-time student is also a potential full-time student. Any future increase in part-time enrollments probably will occur at the expense of potential full-time enrollments.

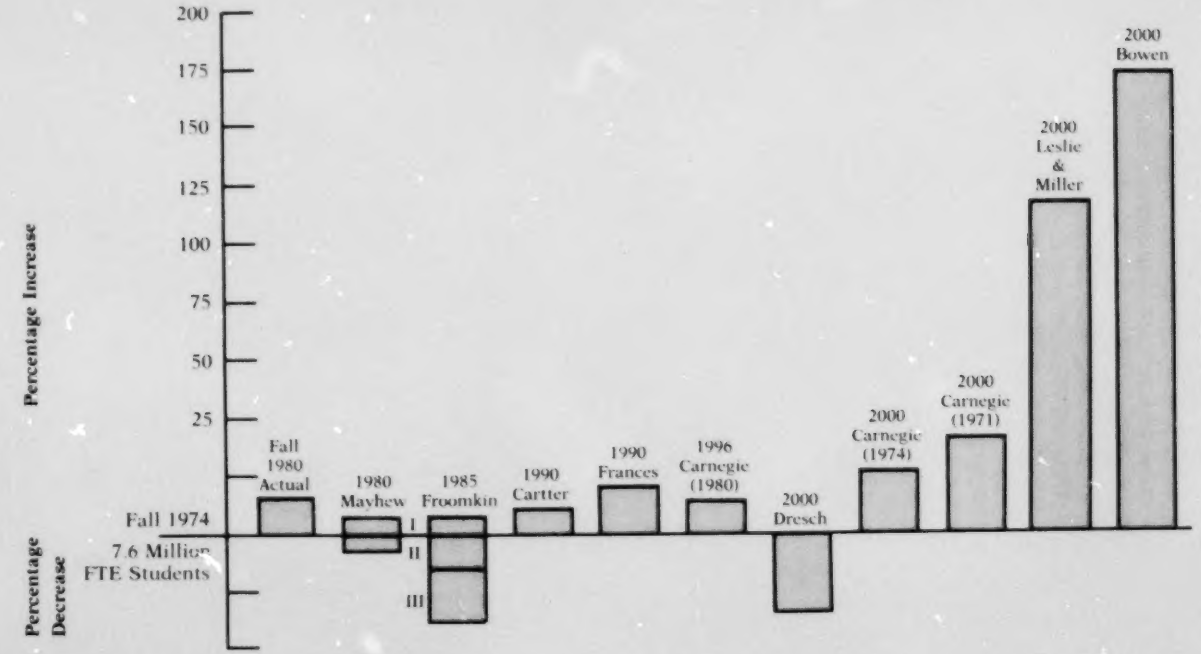
**College Enrollment Projections**

Allan Cartter's demographically derived forecasts for the crash of the academic labor market contributed to the academic community's awareness of the link between demographic trends and enrollments (Cartter 1965, 1971, 1976). Carol Shulman has observed that enrollment projections "vary greatly because the analysts build into their forecasts differing visions of how higher education can and should develop and because their visions are linked to special assumptions about the future of the American economy and its relationship to higher education" (Schulman 1976, p. 13). Projection methods range from the simple to the complex. The National Center for Education Statistics (1976) has used constant growth rate measures to forecast enrollments, generally ignoring external variables such as financial aid policies and economic factors. The Carnegie Foundation (1975) and the Carnegie Council (1980) have included enrollment trends as well as external factors in their projections. Several analysts focus on the economic incentives for college attendance, and they suggest that—in addition to demographic factors—a declining job market and a lower "economic rate of return" on a college education helps cause enrollment decline (O'Toole 1977; Dresch 1975). Others such as Howard Bowen (1974) and Leslie and Miller (1974) look beyond the traditional role of college and economic perspectives on higher education, suggesting that postsecondary institutions could play a much broader role in American society, thus contributing to increased enrollments.

These factors and others are reflected in the enrollment projections offered by a number of analysts (Figure 1). The forecasts range from the overly optimistic to the extremely pessimistic. Some are already dated and others seem extreme.

**Undergraduate enrollments.** Undergraduate enrollments are the segment

**Figure 1: College Enrollments and Enrollment Projections, 1974–2000**




Source: Carnegie Foundation for the Advancement of Teaching (1975), updated by authors.

of higher education most directly affected by demographic trends. In fall 1980, 91 percent of all first-time, full-time college freshmen were either 18 or 19 years old (Astin, King, and Richardson 1981). The 18 to 24 age cohort comprises 80 percent of all undergraduate enrollment (Stadtman 1980; Carnegie Council 1980).

**Graduate education.** Few observers have said much recently about graduate enrollment prospects, perhaps reflecting a silent consensus that the recent problems in the academic labor market will worsen and contribute to further enrollment decline. Yet the Carnegie Council (1980) anticipates stable enrollment or only slight declines in graduate education over the next 20 years. This optimism is based on the shift in graduate education from academic apprenticeships to professional training. The council states that:

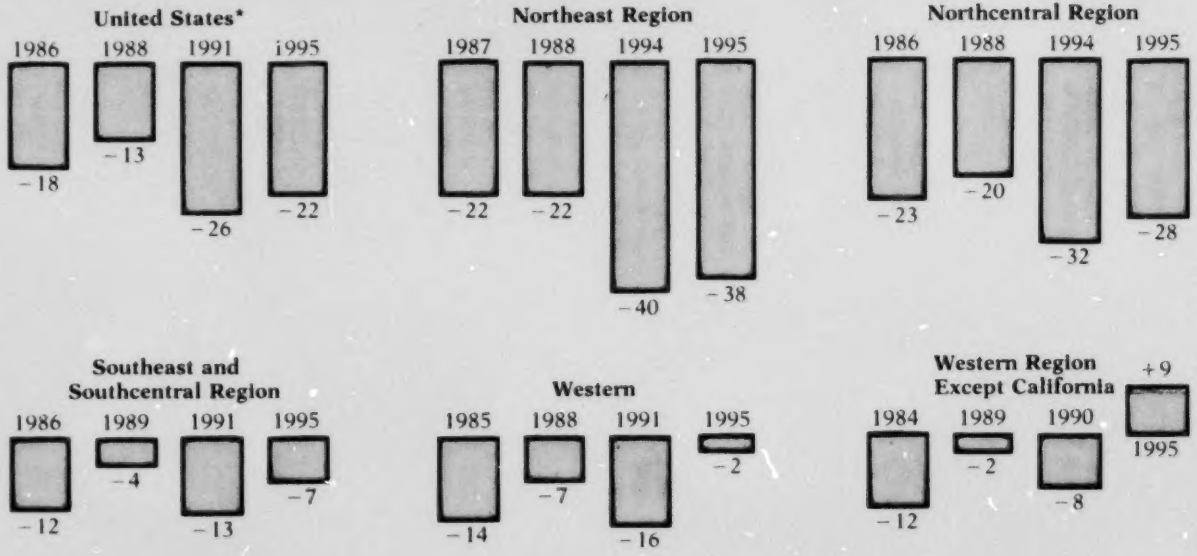
> *too much has been made of too little . . . . We have heard mostly about the less than 10 percent of graduate work that is in deep trouble (the academic Ph.D.) and less about the other more than 90 percent that has been moving along unimpaired or has even prospered (Carnegie Council 1980, p. 48).*

Although the decline of the academic job market affects graduate enrollments, this has been field specific rather than generalized. Some disciplines have found favor in industry and government (e.g., economics), and others, such as computer science and engineering, continue to experience high demand. Too, humanists have found outlets for their skills and talents in the private sector (see Solmon et al. 1981). Graduate education probably will be very volatile during the next 20 years, especially within degree levels and across disciplines; but this volatility will not necessarily mean lower enrollments (Carnegie Council 1980).

**Regional impacts.** The aggregated demographic data also hide important regional differences. The 1980 Census shows the continued growth of the Sunbelt states at the expense of the urban Northeast and Midwest. The Western Interstate Commission on Higher Education (1979) notes that there will be significant regional differences in the decline in the number of high school graduates between 1979 and 1995. The northeast and north-central regions will suffer the greatest decline, and the southern and western states will experience the least. Yet even the regional data mask some important state differences: the pattern of projected high school graduates in the western states is strongly affected by a 30 percent decline in the number of high school graduates in California (Figure 2).

Several observers have identified those states in which higher education will be most adversely affected by the demographic events of the next 20 years (see Carnegie Council 1980; Centra 1980; Crossland 1980; Henderson 1977). For example, Crossland identifies 13 northern states from Massachusetts to Minnesota in which the public high school graduating

**Figure 2: National and Regional Patterns of Projected Public High School Graduates, 1979–95**
*(percentage change from level estimated for 1979)*




*Based on national pattern.
Source: Compiled from Western Interstate Commission for Higher Education, 1979, Figure 1.

class is expected to decline anywhere from 30 to 49 percent. Crossland observed that because higher education in these states "represents a substantial proportion of the total national effort [42.4 percent of all institutions] what happens [in these states] will cause widespread psychological, economic and political ripples across the country" (1980, p. 21). State enrollment trends are also affected by student migration. A 1977 American Council on Education report suggests that the immigration of out-of-state students will help offset the population decline in 33 states (Henderson 1977).

The Carnegie Council has been specific about the individual states, categorizing them according to their enrollment problems. Six frostbelt states are forecast to have much worse than average enrollment problems over the next 15 years; Alaska plus six sunbelt states are expected to fare much better than the national average (see Table 1).

**Institutional impacts.** Analysts also agree that the "enrollment crisis" of the 1980s will have differential impacts on institutions. Some campuses will experience no decline and may even report some increase in enrollment; others will be severely hurt by the demographic events of the 1980s.

Observers agree that two types of institutions will be most adversely affected by enrollment problems in the 1980s; small, private liberal arts colleges and private two-year colleges (Carnegie Council 1980; Mayhew 1979). Mayhew also identifies other types of institutions that will experience problems: "middle level, private urban universities and perhaps a few of the more remote state colleges located in regions experiencing sharp enrollment declines" (Mayhew 1979, p. 4). The least vulnerable institutions seem to be at the opposite poles of the prestige ladder: the research universities and the selective liberal arts colleges at one end and the public two-year institutions at the other end. Comprehensive and doctoral-granting institutions should have enrollment patterns somewhat between the extremes of universities and private two-year colleges. The vast majority of the vulnerable institutions are private colleges. According to the Carnegie Council, "only about 10 of the over 700 institutions in the most vulnerable categories are public" (1980, p. 61).

Private institutions are more vulnerable to enrollment problems than their public-sector counterparts for a number of reasons. These institutions, particularly the less selective liberal arts and two-year colleges, are concentrated in the frostbelt states that will experience severe drops in the 18 to 24 age cohort over the next 15 years. These institutions also have been hard hit by the high inflation of recent years. In many instances short-term savings gained by deferred plant maintenance, retrenchment, and low faculty salaries will have long-term consequences (see Bowen and Minter 1977). Changing federal and state financial aid policies, particularly changes in the Guaranteed Student Loan program, will further erode the ability of these institutions to recruit middle-income students.

The mid-level public institutions, many of them former teacher colleges, also may experience enrollment problems. They had some difficul-

**Table 1: Projected State Enrollment Trends, 1980–1995**
*(trend relative to national average)*

| Degree of Enrollment Decline | | | | |
|---|---|---|---|---|
| Much Better Than Average | Better Than Average | Average | Worse Than Average | Much Worse Than Average |
| Alaska | Arkansas | Alabama | Delaware | Connecticut |
| Arizona | Colorado | California | Illinois | Iowa |
| Florida | Georgia | Kansas | Indiana | Minnesota |
| Idaho | Hawaii | Kentucky | Maryland | New York |
| Nevada | Louisiana | Maine | Massachusetts* | Ohio |
| Texas | Oklahoma | Mississippi | Michigan | Pennsylvania |
| Utah | Oregon | Montana | Missouri | |
| | New Hampshire | Nebraska | New Jersey | |
| | New Mexico | North Carolina | North Dakota | |
| | South Carolina | Tennessee | Rhode Island | |
| | Virginia | Washington | South Dakota | |
| | Wyoming | West Virginia | Vermont | |
| | | | Wisconsin | |

*Massachusetts is projected as worse than average in the public sector and about average for the private sector.
Source: Carnegie Council on Policy Studies in Higher Education 1980, Figure 13.

ties during the brief enrollment downturn of the early 1970s, "and that experience sets the stage for even more drastic change in the next fifteen years" (Glenny 1980, p. 375). They probably will have to compete with two-year institutions, although they are somewhat less prepared than the community colleges to serve students interested in short-term, technical/vocational training.

The nation's elite institutions, whether research universities or highly selective liberal arts colleges, will be least harmed by the demographic events of the next 15 years. They should continue to enjoy national visibility and competitive applicant pools (Mayhew 1979; Crossland 1980; Glenny 1980; Henderson 1977).

**Summary**

The changing demography of the American populace, particularly among young Americans, will have a profound impact on higher education through the 1980s and into the 1990s. The 25 percent decline in the traditional 18 to 22 college-aged population, dramatic changes in the racial/ethnic composition, and regional shifts will affect all but a small number of the colleges and universities. The private, less selective, liberal arts colleges will be most adversely affected. Research universities and selective liberal arts colleges should feel little impact. Colleges in the Northeast and Midwest will experience more difficulties than their counterparts in the South and West. And there is a small bit of good news: Enrollments should begin to rise towards the end of the century as the children of the postwar baby boom begin to arrive on college campuses.

## Institutional Concerns

The past 30 years have been marked by a continuing state of self-proclaimed crisis in American higher education. The themes of the "once and future crisis" (Finn 1978) are all too familiar: too much, slowed, and finally no growth; minority participation; liberal education versus student vocationalism; accountability; faculty unionization; retrenchment; and inflation. Yet American higher education has been surprisingly resilient, surviving and thriving in the midst of self-proclaimed adversity. Despite ominous projections, enrollments in most institutions have yet to actually decline.

This chapter examines three issues: (1) how campus presidents view their institution's ability to weather the expected tough times ahead, (2) the dimensions of the enrollment problem for individual campuses, and (3) institutional finances in light of the anticipated cuts in government support. Although only a small proportion of campuses have yet to experience declining enrollment, the decline in economic resources already has placed a severe strain on some campus budgets. The combination of financial exigency and shifting enrollment patterns threatens to provoke a very real crisis at many institutions.

### The Views of Campus Presidents

The results of the 1981 National Enrollment Survey reveal that the majority of college presidents are somewhat concerned about enrollments but are also generally optimistic about their institution's enrollment prospects. Presidents of public colleges are more likely to anticipate increased enrollments than their counterparts in the private sector. Presidents of public two-year institutions are clearly the most optimistic about future enrollments: Less than half express concern about the future and nearly 60 percent anticipate that their college's enrollment will increase by more than 6 percent by 1986 (Table 2).

Although presidents are generally optimistic about enrollments, they are less sanguine about finances (see Table 2). More presidents anticipate fair or poor financial prospects (26 percent) than anticipate enrollment decline (16 percent). Interestingly, a larger proportion of public college presidents than private college presidents report fair or poor financial prospects, perhaps reflecting their concern about reduced state support for higher education. Presidents of private research universities are the most optimistic about institutional finances, followed by the presidents of private four-year colleges. Although the optimism of the former group may be warranted since their institutions are generally elite and wealthy, the optimism of the four-year college presidents seems inappropriate. Most analysts believe that four-year colleges will be the most affected by the demographic events of the 1980s.

The survey data suggest that many college presidents seem to have a "last survivor" mentality about enrollment problems. They apparently believe that their institutions will be immune to the troubles caused by the demographic trends of the 1980s. The data in Table 2 imply that presidents are more sensitive to financial issues than enrollment concerns,

**Table 2: Presidential Perspectives on Enrollments and Finances, by Institutional Type**

| | Public Universities | Public 4-Year Colleges | Public 2-Year Colleges | Private Universities | Private 4-Year Colleges | Private 2-Year Colleges | All Institutions |
|---|---|---|---|---|---|---|---|
| *Concerned about enrollments* | 53% | 56% | 48% | 69% | 68% | 78% | 60% |
| *Enrollment forecast, 1981–86* | | | | | | | |
| Increase over 15 percent | 6 | 6 | 9 | 0 | 6 | 0 | 6 |
| Increase 6–14 percent | 15 | 33 | 48 | 9 | 32 | 22 | 36 |
| Steady (+1–5 percent) | 52 | 45 | 34 | 77 | 42 | 44 | 41 |
| Decrease 6–14 percent | 27 | 15 | 8 | 15 | 17 | 33 | 15 |
| Decrease over 15 percent | 0 | 0 | 1 | 0 | 2 | 0 | 1 |
| *Financial health of institution in 1980s* | | | | | | | |
| Excellent | 6 | 5 | 5 | 15 | 8 | 0 | 6 |
| Very good | 21 | 21 | 25 | 31 | 30 | 22 | 26 |
| Good | 39 | 38 | 49 | 46 | 37 | 44 | 42 |
| Fair | 33 | 33 | 18 | 7 | 18 | 33 | 22 |
| Poor | 0 | 4 | 3 | 0 | 6 | 0 | 4 |

Totals may not equal 100 due to rounding error.
Source: 1981 National Enrollment Survey

perhaps reflecting presidential preoccupation with the current problems of inflation and budget reductions rather than the unknown consequences of future enrollment difficulties.

**How Serious Are Campus Enrollment Problems?**

Most institutions have not experienced enrollment problems thus far. Indeed, the slow but steady growth of collegiate enrollments over the past five years belies prophecies of decline. However, wary of some of the grim demographic data and frightened by their own brief experience with enrollment problems in the mid-1970s, many administrators are now developing plans to bolster enrollment. Most institutional plans stress recruitment, although a growing number of colleges are turning to retention as a strategy to deal with enrollment difficulties (Stadtman 1980).

**Recruitment.** The most direct and obvious way to maintain enrollments is to recruit more students. Not surprisingly, this course has been adopted by 62 percent of the country's institutions (Stadtman 1980). Although the enrollment crunch is not forecast to begin until 1982–83, the past decade has been marked by institutional efforts to upgrade and expand recruitment activities. Between 1969 and 1976, the typical private college increased its recruitment staff by 42 percent (Bowen and Minter 1977). Admissions directors report major increases in recruiting budgets, staff size, travel, marketing research, and faculty involvement in recruitment activities between 1975 and 1980. Private institutions were more likely to report increased and/or upgraded efforts than public institutions (1981 National Enrollment Survey).

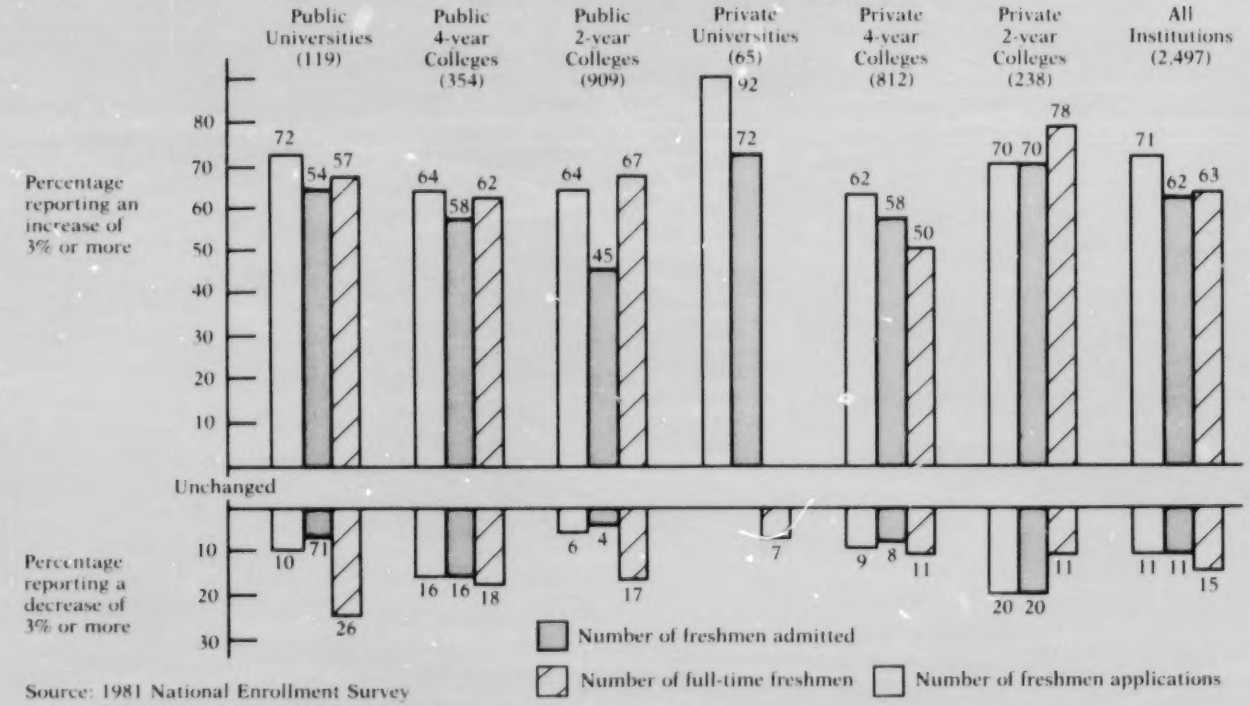
At least four factors helped raise enrollments in the late 1970s: increased numbers of high school graduates, enhanced institutional recruitment activities, enlarged government aid programs, and expanded enrollments of nontraditional students. The majority of admissions directors in all sectors report steady increases in freshman applications, admissions offers, and enrollments between 1975 and 1980 (Figure 3). Furthermore, our data show the majority of institutions also report stable or increased enrollments of transfer students and graduate students.

Despite increases, soft spots are evident. High school seniors are now more likely to make multiple applications than were students 10 years ago (Green and King 1981). More applications for each full-time student, plus the growing number of applications from part-timers, account for much of the reported increases in undergraduate applications.

There is also the question of quality: Have the nation's colleges and universities lowered admissions requirements to maintain enrollments? The declining SAT scores of entering freshmen are most often cited to support this contention. However, the relationship between SAT scores and student ability has often been questioned. (See, for example, Astin 1982). Does the SAT assess student ability or student achievement? If the scores measure competence, then many college presidents will agree that students do not possess the verbal and mathematical skills they once did.

**Figure 3: Trends in Freshman Admissions, 1975–80**

*(percentage change as reported by admissions directors)*




Source: 1981 National Enrollment Survey

In our survey, nearly 60 percent of the presidents agreed that high school preparation has declined among their entering students. One noticeable exception were presidents at private universities. Only 18 percent in this category agreed. Since these institutions have traditionally enrolled the strongest students and have enjoyed a wide range of selection, the absence of a decline is not surprising.

Although SAT scores and academic skills of entering students have declined, their high school grades have not. In 1968, entering students with C averages outnumbered students with A averages by better than two to one (32 percent versus 12 percent). By 1981, however, the percentage of students with A averages outnumbered students with C averages, 21 percent and 19 percent, respectively. Given the decline in test scores during this period as well as the growing concern about student skills in such areas as composition, mathematics, and foreign languages, few would cite rising grade averages as evidence that students know more or perform better that their counterparts of a decade ago (Astin, King, and Richardson 1981).

Declining test scores and rising grades aside, the vast majority of admissions directors report that their institution has not dipped lower into high school ranks to maintain enrollments (Table 3). Indeed, more institutions report a rise than a drop in the high school rank of entering students.

Research over a longer time period does show some decline in student quality but only at certain types of institutions. According to Astin's continuing study of American college freshmen, there was a five percent overall decline in the percentage of full-time freshmen selected from the top one-quarter of their high school class from 1968 to 1978 (from 51 to 46 percent). Most of the drop occurred among public and private four-year colleges (Astin, King, and Richardson 1978).

**Retention.** Stable enrollments ultimately depend on the retention of currently enrolled students as well as the steady inflow of new students. Presidents of institutions where enrollments have dropped in the past decade cite declining retention rates as the most important factor contributing to reduced enrollments (Stadtman 1980, Table 39). Indeed, for many institutions "retention may be the *key* issue in enrollment planning," particularly when such efforts focus on the nonacademic causes of attrition (Mingle and Norris 1981b, p. 53).

An enormous number of college students become college dropouts. Roughly half of all students in four-year colleges never graduate from the college they enter as freshmen; approximately 30 percent never graduate from *any* college. In two-year institutions, the attrition rate is significantly higher: Approximately 80 percent of the entering students who hope eventually to earn a bachelor's degree never do; 60 percent of these students never even attain an associate's degree (Astin 1975; Beal and Noel 1980; Breneman and Nelson, 1981; Lenning, Sauer, and Beal 1980a; Pantages and Creedon 1978).

**Table 3: Changes in the High School Rank of Entering Freshman Class, by Institutional Type, 1975–1980**

| Type of Institution | Increased | Same | Decreased |
|---|---|---|---|
| *All Institutions* | 12% | 81% | 7% |
| *Public Institutions* | | | |
| Universities | 13 | 87 | 0 |
| Comprehensive Colleges | 12 | 79 | 9 |
| Two-Year Colleges | 4 | 92 | 4 |
| *Private Institutions* | | | |
| Universities | 14 | 86 | 0 |
| Comprehensive Colleges | 21 | 70 | 9 |
| Selective Liberal Arts Colleges | 7 | 90 | 3 |
| Liberal Arts Colleges | 21 | 68 | 11 |
| Two-Year Colleges | 20 | 70 | 10 |

Source: 1981 National Enrollment Study

The research identifies many student characteristics that contribute to attrition. Attrition is largely a "freshman problem"; freshmen comprise approximately 60 percent of the attrition problem in a typical college. Commuter students have higher attrition rates than students who live on or around the college campus. Women are less likely to complete college than men, minority students have higher attrition rates than whites, and low-income students are more likely to leave college. Students who have not selected a major or a career are also attrition-prone, as are students who are not involved in the social aspects of campus life (Astin 1975, 1977, 1982; Pantages and Creedon 1978; Chickering 1974).

Institutional attributes also affect retention. Students in private colleges are more likely to complete a college degree than students in public colleges. And students in two-year institutions are the least likely to stay in college and earn a degree, including an associate's degree. (For a discussion of these and other characteristics of attrition-prone students, see Astin 1975, 1977, 1982; Chickering 1974; Pantages and Creedon 1978).

**Institutional Finances**

Demographic events in the 1980s and 1990s will further aggravate the existing financial problems of many colleges. Yet demography is only one issue that will affect institutional finances in the coming years.

What distinguishes the financial problems of the 1980s from prior periods of financial exigency is that these problems will occur concurrently

with an enrollment downturn. During previous financial difficulties such as the "New Depression" years (Cheit 1971), institutions could generally rely on increases in enrollment-driven revenues regardless of shifts in government programs and funding priorities. The 1980s may mean a real financial depression brought about by the devastating combination of enrollment declines and real reductions in state and federal support.

**Institutional resources.** One obvious and direct consequence of declining enrollments is reduced tuition and ancillary fee revenues for already hard-pressed operating budgets. Jenny (1976) observes that enrollment is a primary indicator of financial health and that "relatively small enrollment decreases can produce large revenue reductions (p. 91).

However, other factors also affect institutional financial fortunes. Government policies affect enrollment demand and tuition revenues (via financial aid programs) as well as operating costs (via regulation). High interest rates and energy costs drain funds that might otherwise be spent for educational resources (see Bowen 1980).

In recent years both public and private sectors have levied sizable annual tuition increases to raise additional revenue. In the public sector, average tuition charges have increased 78 percent over the past 10 years, somewhat less than inflation. In the private sector, where tuition accounts for nearly two-thirds of instructional revenues, tuition charges increased 115 percent between 1971 and 1981, or slightly above inflation ("College Costs" 1981; National Center for Education Statistics 1980; Stampen 1980).

Yet increased tuition will not provide either private or public institutions all the additional revenue needed to compensate for the real revenue lost due to inflation and/or declining enrollments. All institutions experience some degree of price elasticity and shifts in their student market, i.e., a disproportionate drop in demand triggered by increased tuition (Weathersley and Jackson 1975). For colleges and universities, this creates a unique form of the "trickle down": the movement of students from costly (private) institutions to less expensive (public) colleges, accompanied by some movement down the academic pecking order from universities to public four- and two-year colleges.

Nor will tuition increases compensate for the state subsidies no longer available to public institutions because of current revenue shortfalls and pressure to reduce taxes (Caruthers and Orwig 1979). Public institutions in the industrial states of the North and Midwest have been particularly hard hit by the financial difficulties of the industries that dominate these regions (e.g., automobiles in Michigan). Institutional finances—and futures—will be significantly affected by the success or failure of the post-secondary community to claim a steady share of what seems likely to be a declining pool of public resources available for social programs.

**Federal policy.** The postwar period has witnessed a major change in the federal role in higher education. The federal government has evolved from a consumer of university *research* to an underwriter of *students*, especially

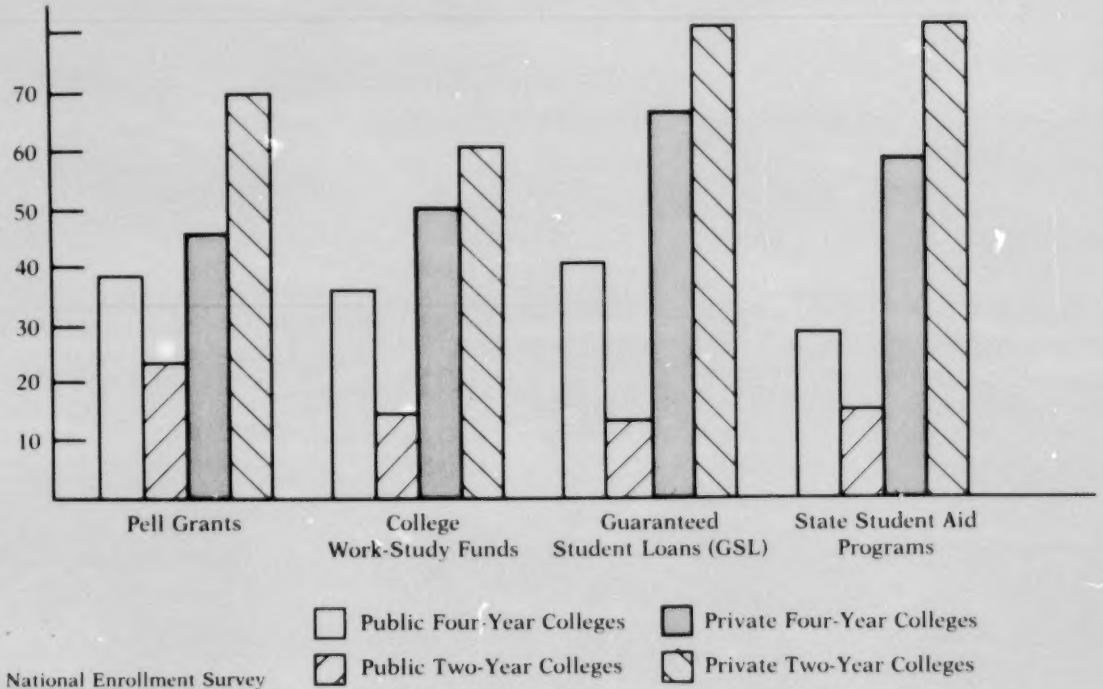
by promoting expanded access to higher education (Green 1982). Federal funds currently account for approximately 17 percent of all expenditures for higher education. Academic research was less of a federal priority in the late 1970s than during the period following Sputnik and currently accounts for about 28 percent of annual federal expenditures on higher education (Carnegie Council 1980; Carlson 1978).

Prior to the 1980 presidential election, much of the discussion about the consequences of declining enrollments assumed that federal funding for higher education would remain stable. Despite the Carter Administration's recommended cuts in its last revised budget proposals for fiscal 1982, few observers were prepared for the far-ranging budget cuts proposed by the Reagan Administration in January 1981. Indeed, previous indicators suggested either a stable or growing federal role. For example, the 1978 Middle Income Student Assistance Act expanded federal programs by extending Pell Grant and Guaranteed Student Loan (GSL) program benefits to upper-income families (see related discussion in Breneman 1981, pp. 21–24). Between fall 1978 and fall 1980 the proportion of college freshmen participating in the GSL program shot up to 21 percent, and the proportion receiving Pell Grants rose to 35 percent. These increases reflected the large number of middle-income students who received aid under the broadened eligibility requirements established by Congress in 1978 (Astin, King, and Richardson 1981; Green and King 1981).

In 1981, however, the Reagan Administration began to implement budget cuts that would sharply reduce the benefits of the Middle Income Student Assistance Act, halve the appropriations for the National Endowment for the Arts and National Endowment for the Humanities, and severely cut federal funding for social science research (see Finn 1981). Institutions have survived shifting federal program priorities in the past, for example, the transition from research and graduate funding to undergraduate aid between 1965 and 1974. But never before have institutions confronted program shifts and budget cuts as deep as those proposed by the Reagan Administration and accepted by the Congress in July 1981. Moreover, program cuts in financial aid, unlike cuts in research, will have direct impact on enrollments and tuition revenues.

The Reagan cuts will affect virtually all institutions in one way or another. In fall 1981, prior to the first Reagan budget, some institutions already were reporting enrollment uncertainties attributed to the confusion about federal aid cuts. Admissions directors responding to our 1981 National Enrollment Survey were particularly pessimistic about financial cuts (Figure 4). They predicted that reduction in the Pell Grant program will have a severe impact on 28 percent of public institutions and 51 percent of private institutions; cuts and changes in the Guaranteed Student Loan program will have an adverse effect on enrollments in 22 percent of public colleges and 70 percent of private colleges; and reductions in state aid programs will reduce enrollments in 20 percent of public institutions and 62 percent of private colleges. These federal budget cuts will mean that low-income students get less aid; that many middle-income

**Figure 4: Anticipated Impact of Cuts in Financial Aid Programs on Enrollment**
*(percentage of admissions directors indicating severe impact)*




Source: 1981 National Enrollment Survey

students may get no aid; and that enrollments will fall in many institutions as students seek to reduce their college costs by enrolling part-time, living at home, or selecting less expensive colleges.

**State policies.** Reductions in state support will have a major impact on the future of public higher education. Enrollment problems in the private sector will also be further aggravated by the pending cuts in many state aid programs, since many are more helpful to students in independent institutions (Finn 1978).

Federal appropriations for higher education provide financial assistance for students in all types of institutions. By contrast, state appropriations primarily support public institutions. Mortimer and Tierney suggest that:

> *public institutions are placed in double jeopardy in the anticipated decline in enrollments. The direct impact of such a decline would appear immediately in tuition and fee revenues. The indirect impact would occur in revenues derived from state appropriations, especially in those states employing enrollment driven funding formulas (1979, p. 19).*

Moreover, recent events identify a third threat to the financial health of public institutions: budget cuts and midyear recisions. Tax revenue shortfalls have caused extensive budget cuts and midyear recisions in several states. For example, in California the fiscal 1978 expenditures for public higher education declined in the wake of popular support for Proposition 13. Three years later Governor Jerry Brown ordered a 2 percent emergency midyear cut in the state's fiscal 1982 budget. In October 1981, the University of California system was informed of a $20 million cut in its 1981–82 budget; the 19-campus California State University system was told to cut $22 million from its 1981–82 budget. Furthermore, the University of California may face another $50 million in cuts for 1982–83 (Trounson 1981). Midyear recisions have also occurred in Kentucky, Massachusetts, Michigan, Minnesota, Ohio, Oregon, and Washington (see Magarrell 1981; Scully 1981; Wehrwein 1981).

State financial aid programs will have a significant impact on the financial fortunes of many institutions, particularly in the private sector. State aid expenditures are small in comparison to federal outlays. States contribute approximately 7 percent of all student aid funds, compared with approximately 80 percent from the federal government (Carnegie Council 1980, Table A-6). Yet the scope of state programs nearly doubled between 1973 and 1978, in part because of the State Student Incentive Grant (SSIG) program, which provided federal challenge grants to the individual states to expand their own student aid efforts (U.S. Office of Education 1979, pp. 253–55).

Many state aid programs provide a subsidy to private institutions (Finn 1978; Jonsen 1981). In the early years more than 50 percent of state funds were awarded to students in private institutions (Hartman 1978, p. 252).

Although most states have since modified their aid programs to include students in all institutions, state aid is particularly important to students in the private sector. It often provides the additional money to help reduce the tuition gap between public and private institutions. In the 1981 National Enrollment Survey, nearly 60 percent of the admissions directors in private four-year colleges and universities indicated that cuts in state student aid programs would have a severe impact on their enrollment compared with less than 30 percent of admissions directors in public four-year colleges and universities (see Fig. 4). Public institutions could actually benefit from cuts in state aid programs if students opt for less expensive public colleges.

**Summary**

Although the enrollment crunch of the 1980s is not forecast to begin until 1982–83, the past decade has already witnessed institutional efforts to deal with the consequences of slowed growth and high inflation. Renewed emphasis on recruitment and student retention is the clearest sign of these efforts. In contrast to previous crisis periods in higher education there will be double jeopardy this time: The enrollment difficulties will coincide with financial shortfalls during an era of reduced government support for higher education. Taken together, these factors pose a major challenge to the health and vitality of American higher education.

## Points of Leverage: Recruitment and Admissions

The previous sections reviewed national trends affecting enrollments and finances. The next three chapters address institutional response options. The critical issue is leverage: What can individual colleges do to control the situation? How can they build enrollments? How can they prevent students from dropping out? How shall they restructure institutional policies and practices to respond to the challenges of the 1980s?

This chapter examines the points of leverage in admission and recruitment. Chapter five focuses on student retention, one of the most important opportunities for creative response. Finally, chapter six explores other important policy issues that must be addressed in order to meet the coming challenges in staffing, planning, and retrenchment. All three chapters concentrate on the individual campus and its points of leverage.

### Enrollment Management: Avoiding the Quick Fix

Some institutions attempt to resolve enrollment problems with short-term "quick-fix" solutions such as flashy publications, media blitzes, and marketing workshops. In some cases, they may hire an advertising agency or marketing firm specializing in student recruitment. The common response is to view any enrollment problem as an abberation rather than a sign of a changing relationship between the institution and its potential pool of new students.

Carried to an extreme, the "hard sell" can approach the ridiculous. Kotler (1976) cites the example of a public university that attempted to attract attention to itself by planning to release balloons filled with scholarship offers. Not only are such ill-conceived efforts unlikely to produce many new applications, but, by making the institution seem foolish, they may be counterproductive. Additionally, they may undermine relations with feeder schools and neighboring institutions.

Instead of the quick-fix we want to stress integrated "enrollment management." Effective enrollment management encompasses much more than super-selling. It involves a host of functions that cross divisional lines, including clarification of institutional purpose, program development, marketing and recruitment, financial aid, orientation programs, and retention. Kreutner and Godfrey (1980) view enrollment management as both a concept and a process. As a concept, enrollment management implies an assertive approach to ensure the steady supply of qualified new students needed to maintain institutional vitality. As a process, enrollment management helps institutions (1) develop a keener awareness of their purpose and character in relation to the student marketplace, (2) improve ties to prospective client groups, and (3) attract students into and through the institution.

**Organizational issues.** Since enrollment management is the antithesis of a quick-fix approach, it involves more than simply giving increased attention to the offices traditionally concerned with student recruitment. There is a need to integrate enrollment management into everyday academic and administrative decision making. Means of doing so range from

broad-based committees to major organizational restructuring (see Fram 1975; Caren and Kemerer 1979; Huddleston 1980; Kreutner and Godfrey 1980). Caren and Kemerer, for example, assert that offices concerned with enrollment—admissions, orientation, financial aid, advising and career development, institutional research, long-range planning—should be grouped together in one unit under a vice president responsible for institutional advancement. (A detailed discussion of this and other integrative models can be found in Kemerer, Baldridge, and Green 1982.)

Admissions directors report that a considerable amount of administrative restructuring is currently underway. Thirty percent now report to a different office from the one responsible for admissions five years ago (1981 National Enrollment Survey). Restructuring is most evident among private universities (50 percent), private two-year colleges (50 percent), and public four-year institutions (41 percent). It is least evident at public two-year institutions (16 percent). Almost all the reshuffling involves moving recruiting and admissions from academic affairs to either the president or the vice president for student affairs. The fact that considerable realignment of the admissions office has already occurred suggests that many administrators are struggling to shore up a deteriorating enrollment situation.

**Enrollment information systems.** Our case studies demonstrate that successful enrollment management entails developing and using a campus-based "enrollment information system" (see Kemerer 1981; Kemerer, Baldridge, and Green 1982). Although 61 percent of the presidents in the 1981 National Enrollment Survey report that state planners have done a good job of providing data and guidance about enrollment changes, institutions need other types of information for enrollment management in addition to regional and state data. Unfortunately, institutions often fail to collect much useful data about their students or their applicants (Baldridge and Tierney 1979). There is valuable information that can be obtained only at the institutional level. Campuses need to monitor both trend data on the flow of students from application to graduation and attitudinal data on factors influencing student decisions about applying and attending (see Kemerer 1981; Kemerer, Baldridge, and Green 1982).

**Institutional marketing.** Marketing is not synonymous with enrollment management, but rather, a part of it. In the business world, marketing begins by assessing consumer needs and wants, and ends with providing goods and services to meet these needs and wants (Fram 1973). Marketing thus "supercedes both the product concept, which focuses on the product rather than the market, and the selling concept, which focuses on the need of the seller to sell the product rather than on the need of the buyer to buy the product" (Kotler 1976, p. 56).

In education, the strictly commercial orientation is often altered somewhat to soften the appearance of pandering to the marketplace. One commentator views college and university marketing as based "first on

institutional philosophy and mission; second, on locating appropriate populations; and third, on stimulating, involving, and enrolling those populations and meeting their educational needs" (Hershey 1981, p. 19). Marketing is not to be confused with selling. Phillip Kotler, a noted marketing authority, observes that "the aim of marketing is to make selling unnecessary" (Kotler 1976, p. 55).

Colleges and universities, of course, have always engaged in some type of marketing but no one called it that. However, given the current emphasis on maintaining enrollments, more attention has been directed toward sharpening institutional mission, conducting consumer research, and communicating more effectively with potential students. The term "marketing" was borrowed from the industrial sector because it lends meaning and structure to these functions. (For a general discussion of the role of marketing in higher education, see Ihlanfeldt 1975; Kotler 1976; Carter and Garigan 1979; Lovelock and Rothschild 1980).

Blackburn (1980) has identified 16 techniques traditionally associated with marketing: publicity, advertising, advertising research, pretesting and posttesting, current demand analysis, demand forecasting, program development, pricing, segmentation, positioning, offering differentiation, market information systems, market concept, marketing plan, paid marketing consultants, and free marketing expertise. Blackburn surveyed 720 admissions officers in 1978 and found that at least eight of the techniques were used by more than half the respondents.

Forty-six percent of Blackburn's respondents indicated their institution had developed a "marketing concept," defined as "the orientation of all parts of the institution toward the satisfaction of student or societal needs." Publicity, market segmentation (classifying students according to their characteristics), positioning (establishing a clear institutional image that is different from competing institutions), and advertising also ranked high. However, some responses were contradictory, leading Blackburn to question "how the respondents were able to differentiate, position, and develop their institutions in the absence of market research in the form of demand analyses, forecasts, and post-tests" (p. 20).

Although institutions report they are doing "marketing," the majority have not undertaken many of the general tasks associated with marketing efforts. One recent study revealed that nearly 50 percent of the 1,463 institutions surveyed did not conduct marketing studies and another 39 percent indicated that they did so only informally (College Board 1980). Blackburn (1980) found only 46 percent of his respondents had developed a specific marketing plan. Such a plan is considered a prerequisite for successful marketing. Blackburn also found that admissions directors' assessments of marketing technique effectiveness varied considerably. He concluded that a combination of common sense and jargon influenced the survey results and that there had been little serious effort to adapt commercial marketing techniques to higher education. Ihlanfeldt (1980b) observes that recruitment remains a shotgun approach with little effort to assess effectiveness.

**Recruiting Strategies**

In our survey we asked admissions directors whether various recruitment-related activities have increased since 1975 (see Table 4). More directors reported an increase in preparing new promotional material than in any other recruitment-related activity. The use of national mailing lists such as the College Board's Student Search Service also ranks high.

Increasingly, the literature on recruitment stresses the importance of effective promotional literature targeted to specific groups (see, for example, Merante 1980–81). The danger, of course, is that the literature may inflate expectations that cannot be met by available campus resources. Everyone loses when the student arrives on campus to discover that the music program that seemed impressive in the catalog consists of only two faculty members and is supplemented by a paltry program of performance activities. Considering the resources and time expended in recruiting, it makes little sense to enroll more students if the result is a proportional increase in student attrition.

Increasing the budget of the admissions office above inflation costs is ranked second among recruitment-related activities in Table 4. Many other items listed depend on an adequate budget. Obviously, at a time of shrinking resources, commitment from top administrators must be particularly strong to shift more dollars to recruiting. Yet doing so may be a critical step toward institutional vitality.

One recent survey shows the top three recruiting tools to be high school recruiting, direct mail, and attendance at college nights and college fairs (College Board 1980). The results shown in Table 4, including the high rating given to travel, suggest that institutions are placing more emphasis on face-to-face external recruiting. Students indicate, however, that college representatives have little influence on their matriculation decision (Astin, King, and Richardson 1981). Just 5 percent of the freshmen entering college in fall 1980 indicated that college representatives were a major influence on their decision to attend a particular college. Only teachers had less influence on enrollment decisions (4 percent). Heading the list of major influences on matriculation decisions were the academic reputation of the college (51 percent), followed by the availability of particular educational programs (27 percent). Of course, admissions personnel perform other functions in addition to talking with students, such as maintaining contacts with feeder schools and assisting the flow of information from the college to prospective students. Too, just as new car buyers will identify the quality of the car—not the technique of the salesperson—as the reason for their purchase, it could be that students forget the catalytic role admissions personnel play in the college selection process.

Table 4 shows the emphasis given to other recruiting practices, including use of alumni, recruitment of nontraditional students, and recruitment of adults.

**Use of alumni.** Admissions directors at 71 percent of the private universities and 36 percent of private four-year colleges are currently increasing

their use of alumni in recruitment. Thirty-five percent of the admissions directors plan to increase this area in the future; 43 percent of the public universities and 41 percent of the private four-year colleges plan to do so (data not shown).

**Recruitment of nontraditional students.** Admissions personnel have not reduced efforts to recruit nontraditional students such as minorities and the handicapped. The biggest push for minority recruitment is in the public sector, mainly in universities. Although 11 percent of all admissions directors report that their institutions have increased efforts to recruit handicapped students, the data presented in Table 4 indicate that these efforts are centered largely in the public sector; relatively few private institutions have expanded their recruitment programs for handicapped students.

**Recruitment of adults.** Public institutions are the frontrunners in adult recruitment. Most private institutions are more likely, by desire or location, to cater to full-time students and to pay less attention to adult learners. Most of the admissions directors who say they plan to increase recruiting of adults are also in the public sector, although 40 percent of directors at private two-year colleges say they plan to do so.

Although the economic plight of many colleges and universities precludes extensive reduction of tuition and other costs, cutbacks in federal and state student aid have prompted some institutions, particularly those in the private sector, to use economic inducements as a recruiting tool. Seventeen percent of the admissions directors report increasing use of no-need financial aid awards in the past five years; 19 percent say they plan to do so in the future. (For an extensive study of tuition discounting, see Ihlanfeldt 1980a. For a discussion of other recruitment techniques, see Mayhew 1979; Kemerer, Baldridge, and Green 1982.)

### The Role of the Faculty

Enrollment management requires faculty participation. After all, faculty develop programs, establish articulation agreements with feeder institutions, publicize departmental programs; and provide the quality teaching and advising required to attract students, reduce attrition, and develop loyal alumni. Fram (1973) observes that the faculty have a "two-fold responsibility [that] requires them first to create the curricula to meet the needs of students and society, and second to be good salesmen in their contacts with student customers" (p. 62). One college president notes, however, that changing a curriculum to attract students is like moving a cemetery—the protests are long and loud.

There is, however, a distinct danger in changing curricula solely to meet the needs of the marketplace. For example, Veysey observes that "the key question concerns what actual compromises one is willing to make, either for survival or for maintenance of a student body at a given size" (Veysey 1980, p. 28; see also Bailey 1980). Lovelock and Rothschild

**Table 4: Changes in Recruitment Program, 1975–1980**
*(percentage of admissions directors reporting increased activity)*

| Activity | Public Research Universities (119) | Public 4-Year Colleges (354) | Public 2-Year Colleges (909) | Private Universities (65) | Private 4-Year Colleges (812) | Private 2-Year Colleges (238) | All Institutions |
|---|---|---|---|---|---|---|---|
| Prepare new promotional literature | 54 | 58 | 38 | 64 | 66 | 60 | 54 |
| Increase budget (above inflation) | 29 | 36 | 27 | 57 | 55 | 80 | 43 |
| Recruit adult students | 39 | 44 | 48 | 14 | 30 | 20 | 38 |
| Increase travel | 31 | 48 | 35 | 57 | 32 | 50 | 37 |
| Conduct special market research | 33 | 26 | 20 | 50 | 51 | 40 | 35 |
| Involve academic department in recruitment | 44 | 36 | 23 | 14 | 38 | 50 | 33 |
| Buy national mailing lists | 45 | 33 | 16 | 36 | 43 | 30 | 31 |
| Contact special groups (church, youth) | 18 | 25 | 20 | 17 | 38 | 40 | 29 |
| Recruit part-time students | 26 | 34 | 29 | 8 | 21 | 30 | 27 |
| Recruit minorities | 62 | 41 | 15 | 36 | 23 | 20 | 25 |
| Use alumni in recruiting | 24 | 22 | 4 | 71 | 36 | 20 | 22 |
| Attend workshops | 15 | 21 | 16 | 23 | 27 | 20 | 22 |
| Increase staff | 19 | 27 | 8 | 36 | 31 | 30 | 21 |
| Award no-need financial aid | 24 | 18 | 12 | 15 | 17 | 30 | 17 |
| Set up cooperative recruitment programs | 11 | 18 | 11 | 14 | 20 | 20 | 16 |

| | | | | | | | |
|---|---|---|---|---|---|---|---|
| Set up special admissions task force | 39 | 26 | 7 | 15 | 20 | 10 | 16 |
| Recruit handicapped | 15 | 13 | 20 | 15 | 1 | 0 | 11 |
| Use outside consultants | 0 | 5 | 7 | 17 | 11 | 20 | 9 |
| Recruit foreign students | 3 | 11 | 4 | 29 | 13 | 10 | 9 |
| Recruit veterans | 10 | 15 | 10 | 0 | 4 | 0 | 8 |
| Recruit U.S. students from overseas schools | 0 | 3 | 0 | 21 | 8 | 10 | 5 |

Source: 1981 National Enrollment Survey

(1980) maintain that "the challenge for higher education is to remain sensitive to the short-term needs and concerns of students and other constituencies (such as parents and alumni) without undercutting the institution's evaluation of broader societal needs and its own long-term sense of mission" (p. 46).

Although our survey identifies growing faculty awareness of enrollment management, case studies illustrate the difficulty of involving faculty, either individually or through their departments, in student recruitment and retention activities (see Kemerer, Baldridge, and Green 1982). Sixty-seven percent of the presidents in the 1981 National Enrollment Study agree that admissions policies have been a topic of serious discussion among the faculty. The percentage of agreement is highest for private universities and two-year institutions (92 and 100 percent, respectively). Presidents in all types of institutions agree that faculty have displayed increased interest in recruitment issues and are more willing to help recruit students (81 percent).

However, there is a tremendous difference between agreeing that faculty should do something and actually having faculty do it. For example, one survey showed that faculty were frequently involved in recruiting activities in only 3 percent of the responding institutions (College Board 1980). In our survey only 41 percent of the presidents agreed with the statement, "Faculty have been heavily involved in developing strategies to cope with enrollment concerns." Agreement was highest at private four-year institutions (52 percent) and lowest at private two-year institutions (22 percent). Apparently, recruitment strategy decisions are made by admissions personnel and campus administrators without faculty participation. Table 4 shows that admissions directors also emphasize the role of academic departments in recruitment activities, but there is considerable variance among types of institutions. Some institutions report great success in involving academic departments in enrollment management activities (see, for example, Kreutner and Godfrey 1980–81).

**Summary**

Despite enrollment pressures, there is little evidence that most campuses have marshalled a concerted, campuswide enrollment management system. Most of the action is limited to fine-tuning the office of admissions. More money and effort are going into traditional recruitment activities such as travel, direct mail, and promotional material. Although various marketing techniques are being used with greater frequency, there appears to be little understanding of what a comprehensive marketing plan entails. By and large, the faculty on most campuses are aware of growing enrollment concerns but are not heavily involved in recruitment activities.

## Points of Leverage: Student Retention

The enrollment crisis has focused attention on a very important fact: An enormous number of students who enter college drop out before they finish, thus sharply compounding the shortfall in enrollments. Throughout the higher education community there is newly awakened interest in student attrition. In a few scattered cases vigorous efforts are being mounted against this critical problem.

From the outset it should be clear that all student attrition is not necessarily bad. Lenning, Sauer, and Beal (1980a) identify the problem:

> *Some students need to transfer, stop out, or drop out for their own benefit, and an approach that could somehow force them to stay would be inappropriate, in spite of the detrimental financial implications of decreased enrollment . . . . Rather than improving retention per se, the primary goal should be to better meet student needs and to provide a more meaningful educational experience. And in the long run, motivations closer to the mission of the institution probably will lead to higher enrollments and tuition revenue than will a short-sighted, survivalist focus on enrollments for enrollments' sake (p. 16).*

Attrition is indeed a critical issue. Despite the concern about declining recruitment pools, college presidents whose institution had enrollment problems identified student attrition as the number one culprit. (Stadtman 1980, Table 39). A staggering 85 percent of college presidents agree that "[their] institution should devote more attention and resources to the issue of student retention and reducing the dropout rate" (1981 National Enrollment Survey). The high interest in increased retention was remarkably uniform across all types of institutions.

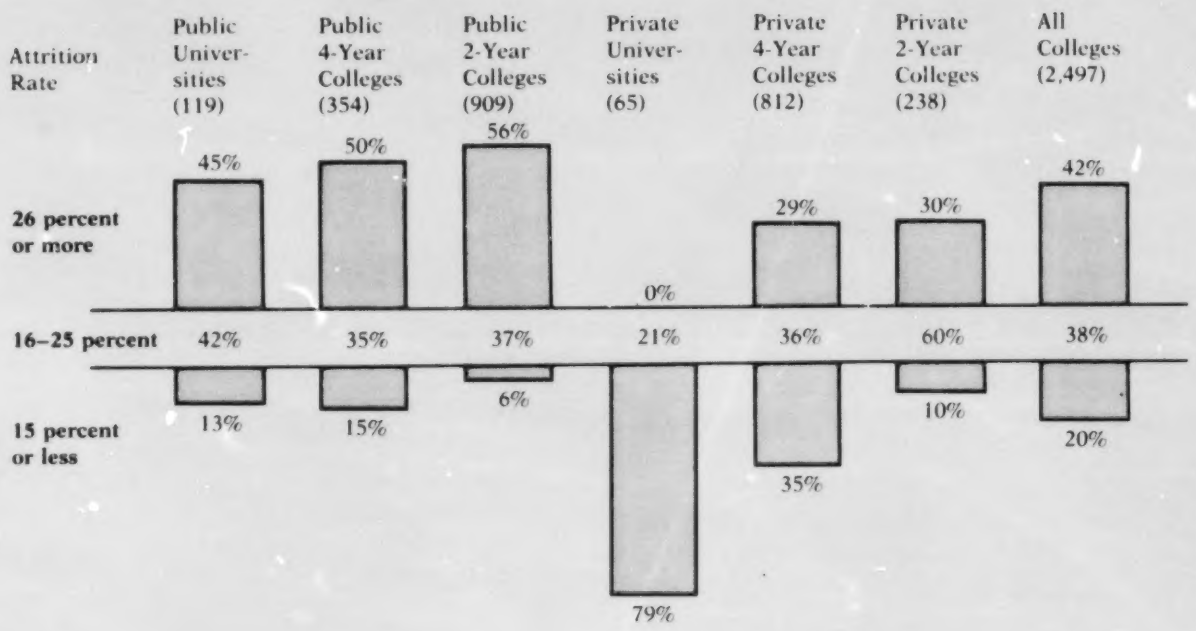
### The Dimensions of the Retention Problem

Dropout rates vary substantially by type of institution. Our 1981 National Enrollment Survey of college admissions directors reveals that attrition rates for freshmen are highest at public community colleges and lowest at private universities (Figure 5). Public four-year colleges and universities also have high attrition rates for freshmen. Overall, only 20 percent of the admissions directors report a freshman attrition rate of under 15 percent. Thirty-eight percent report freshman attrition rates of between 16 and 25 percent, and 42 percent lose more than one-quarter of their freshman classes.

Asked to compare freshman and overall undergraduate attrition rates today with those of five years ago, over half the admissions directors report little change. Thirty-five percent report less freshman attrition than five years ago, and nine percent report more. The percentages are about the same for total undergraduate attrition. The five-year comparisons do not vary significantly by institutional type, although a larger proportion of admissions directors at public four-year colleges report increased attrition among freshmen and undergraduates (14 and 15 percent, respectively).

Our research, together with the findings of others, demonstrates that:

**Figure 5: Freshmen Attrition by Institution Type**




Source: 1981 National Enrollment Survey

- In four-year institutions, roughly half the students who enter never graduate from that institution. Among the half who leave the institution, however, a substantial number transfer to other colleges and eventually finish. Still, roughly 30 percent of the freshmen entering four-year colleges never finish a bachelor's degree.
- Community colleges have a much higher dropout rate than four-year institutions. Approximately 60 percent of the entering freshmen in community colleges never complete an associate degree, and over 80 percent never complete a bachelor's degree.
- Private four-year institutions have slightly higher graduation rates for students five years after admission than do public four-year institutions (roughly 53 percent).
- The more prestigious and selective the institution, the lower its attrition rate. Very selective institutions have low dropout rates; at the other end "open-admission," unselective community colleges have extremely high dropout rates.
- Institutions that are heavily populated by commuter students have higher dropout rates, and institutions with strong residential dormitory programs have lower dropout rates.

For details on these and other findings see Cope and Hannah 1975; Astin 1975, 1977, 1982; Beal and Noel 1980; and Pantages and Creedon 1978.

**Institutional Costs of Attrition**

Our research revealed that attrition has many negative financial and programmatic consequences for the institution.

**Direct loss in revenue.** College finances are almost always "enrollment-driven." Whether the money is generated from tuition or subsidized by public agencies, a drop in enrollments because of attrition causes a loss in operating revenue. In either the public or private college the institution loses a substantial part of the money that accompanies each student. Of course, the institution can save or reallocate money if it gave the scholarship, if an outside agency allowed reallocation of money it contributed (e.g., work-study money), if refund policies allow retaining some fees from dropouts, or if census dates for public agencies have passed and the institution receives money in spite of dropouts. Nevertheless, our research suggests that more than two-thirds of a student's tuition or subsidy will be lost when a student leaves (Baldridge and Mintz 1982).

Dropouts hurt in auxiliary revenue as well, especially from residence facilities. If replacements are not available, a dropout can cost the institution almost an entire year's dormitory fees. Moreover, if the quality of residence halls and campus services declines, the erosion further discourages student use, thus producing even less revenue. A vicious cycle can develop: dropouts, lower revenue, poorer services, more dropouts (Mingle and Norris 1981b).

**Recruitment and image costs.** High attrition has three serious effects on recruitment. First, recruitment expenses are substantially increased, often costing the institution much of a new student's first year of tuition. Second, intensified recruitment efforts often force colleges to dip lower into applicant pools: The institution recruits more low-ability dropout-prone students, further accelerating the attrition problem. Third, high dropout rates tarnish the institution's image in the high school "information grapevine," making recruitment more difficult. High attrition, in short, seriously undermines recruitment efforts.

**Attrition undermines the diversity and richness of the curriculum.** High attrition can lead to an impoverished academic program: (1) upper-division programs become limited and weak because so many lower-division students drop out, to be replaced largely with new freshmen; (2) faculty are forced to teach lower-division general courses instead of enriched specialty courses in the upper-division curriculum; (3) the arrival of large numbers of transfer students to substitute for dropouts causes many articulation problems, with other institutions and among academic majors.

In short, attrition has important effects on financial and educational quality issues. There are also individual costs. The dropout usually has fewer chances for employment, in many cases is stigmatized by personal failure, and can be a disgruntled and unhappy alumnus spreading bad news about the college. Colleges usually worry about the financial consequences of student attrition, but should also be aware of the important educational consequences for both the institution and the individual.

**Institutional Strategies to Reduce Attrition**

Institutions have little control over many factors that contribute to enrollment decline. They have little influence over the birth rate, the economy, the draft policy, or public confidence in higher education. By contrast, colleges really can do something about their attrition rates.

To date, however, research reveals that most institutions have taken little effective action to reduce student attrition. In 1978 Verne Stadtman surveyed college presidents for the Carnegie Council (Stadtman 1980); in 1979 a survey was done for the National Center for Higher Education Management Systems (Beal and Noel 1980); and in 1981 we surveyed a national sample of both presidents and admissions directors. Table 5 reports the major conclusions from the three surveys. Several important trends emerge:

- All three surveys identified a long list of retention activities. But all three surveys revealed that only a handful of items have actually been tried by a substantial number of institutions.
- Improved advising clearly is the option most often utilized. In fact, advising is mentioned more often than all the other options combined in Stadtman's survey. One might draw the conclusion that administrators believe advising is the panacea for the attrition.

**Table 5: Campus Retention Strategies—Results of Three National Surveys**

| Activity | Percentage of colleges attempting the activity | | Percentage reporting activity has great impact |
|---|---|---|---|
| | Stadtman (1980) | Beal & Noel (1980) | Baldridge, Kemerer, & Green (1982) |
| Orientation, counseling, and advising | 55 | 34 | 18 |
| Career planning | 9 | 6 | 6 |
| Learning centers/academic support | 36 | 24 | 29 |
| Exit interviews | 9 | 3 | 2 |
| Curricular developments | 13 | 2 | 6 |
| New policies/grading options | 11 | 4 | 1 |
| Improved facilities | 5 | — | — |
| More financial aid | 4 | — | 6 |
| More student/faculty contact | 6 | — | — |
| More service to nontraditional students | 3 | — | 8 |
| Improved student activities and services | 7 | — | — |
| Early warning systems | — | 12 | — |
| Peer programs | — | 4 | — |
| Faculty/staff development | — | 3 | 3 |
| Multiple action programs | — | 3 | — |
| Co-curricular activities | — | 2 | — |
| Dropout studies | | 2 | — |
| Improved dorm life | — | — | 10 |

- Other efforts emphasize improving academic support programs such as learning centers and remedial programs.
- Few institutions have attempted anything other than advising and some curriculum changes.
- Most techniques are judged to be not effective. (Note the extremely low "effectiveness" ratings in the third column of Table 5.)

It is apparent that most institutions have not done much to lower their attrition rates. A major reason is that until recently most colleges have had such large recruitment pools that they have not needed coordinated and systematic programs to reduce attrition. This lack of attention to attrition rates is a tragic oversight.

There are also organizational and administrative barriers to effective retention programs. For example, compare retention activities to recruitment efforts. From an organizational and administrative viewpoint, recruitment is significantly different because: (1) it has a central administrative office, (2) success or failure is easy to evaluate, (3) resources (money, personnel, equipment) are clearly assigned, and (4) responsibility is highly centralized and changes can be made directly by top managers. In short, recruitment is a centralized, focused, well-staffed, administrative function—and administrators can do something about it.

By contrast, retention has almost the exact opposite organizational and administrative characteristics. Who is in charge of retention? How do you evaluate the effort, and what administrators can be held responsible? Just how visible is the effort to the campus community? These questions show that retention efforts are decentralized, difficult to evaluate, not under the jurisdiction of a single administrator, understaffed, and underbudgeted. In short, retention efforts are an administrative nightmare. Every institution must now consider how to change this situation, how to have impact on the retention problem.

**A Consortium Effort**

In 1981 the Kellogg Foundation of Battle Creek, Michigan, funded a consortium of eight southern California private institutions working in coordination with the Higher Education Research Institute. The purpose of the consortium is to (1) assess the dimensions of the student dropout problem at the eight colleges, (2) plan strategies for cutting the attrition rate, (3) implement those strategies, and (4) evaluate the effectiveness of the program. The consortium colleges have explored alternate strategies for reducing attrition, and, out of all the strategies mentioned in the literature, they have decided to implement new retention efforts in six areas.

**Early warning systems.** The traits of students who drop out have been extensively investigated. Armed with this information the consortium colleges can identify potential dropouts before the students arrive on campus. The consortium colleges will establish an "early warning system" to signal academic advisors and counselors when a student is showing signs of

dropping out. (For a full discussion and bibliography, see Lenning, Sauer, and Beal 1980a, pp. 22ff.) Working with the admissions office, the retention task force on each campus is developing a list at the beginning of the freshman year of those students who are likely to drop out. The colleges have found the task surprisingly easy. In the past, admissions officers rarely set up such lists simply because no one asked for them. But on each consortium campus the admissions office has been able to identify a dropout-prone segment of the freshman class.

What happens after the students are identified? The eight campuses are trying to provide a battery of special services: high-intensity advising programs with a handful of dropout-prone students assigned to an advisor; special attention to remedial academic programs for the dropout-prone segment; early identification of poor academic performance; and counseling programs for minority and nontraditional students.

The early warning system should result in more attention for the dropout-prone segment of the freshman class. Coupled with special services, an early warning system can short-circuit the deadly spiral of failure and social detachment that so often characterizes the student dropout.

**Strong residence life and social integration.** Every researcher who has examined the question of attrition points to the critical role that "social integration" plays in determining which students drop out and which students continue (see, for example, Chickering 1969, 1974; Astin 1975, 1977).

What are the colleges doing about the social integration issue? Thus far the eight consortium colleges have taken the following steps:

- Major dormitory renovations are underway in three institutions.
- Five of the eight institutions are reconsidering their campus residency policies with an eye toward mandating more residential life.
- Most of the institutions are increasing their on-campus jobs, since one of the most consistent findings of the research is that on-campus jobs provide a focal point around which the student develops an integrated social life.
- Several campuses have spent extra money on intramural sports and other social activities.

The institutions believe that efforts to shore up the social integration and social life of the campus will be rewarded handsomely in reduced attrition (see Astin 1975). Consequently, the consortium colleges have willingly invested in these efforts.

**Curriculum innovation to reduce attrition.** A strong curriculum and an excellent faculty are the best retention tools a college can muster. By strengthening the academic program and carefully meshing academic programs with student needs, retention will increase. This overarching goal, however, can too easily become a platitude without some concrete efforts

to shape the curriculum toward increased student retention. The consortium colleges are engaged in three types of curriculum activities.

First, most of the consortium colleges have decided to increase funds and attention on remedial programs and learning skills centers. Most of these colleges, like many other colleges, are dipping lower into the applicant ability pool in order to admit enough students. It is a sad fact that more aggressive recruitment may actually increase the dropout rate. The colleges have recognized this fact and are making efforts to overcome it through learning skills centers, remedial courses, and early assessment of academic weaknesses for all entering students.

Second, the colleges have carefully examined their policies about academic majors. The literature suggests that students who do not declare an academic major early are more prone to dropping out (see Astin 1975). These students are less likely to have clear academic goals or career objectives. In addition, the higher dropout rate of undeclared majors may result because they are not integrated into the social and academic life of a department: They lack the careful advising and career counseling provided by the departmental faculty.

In the last decade or so, curriculum has swung toward more electives, more alternatives, and less structure. Along with this curriculum flexibility came lax attitudes on early declaration of a major. The consortium colleges are reconsidering those lax policies. Perhaps it would be better to have the students declare a major early and then make it easy to change majors if necessary. By contrast, a college that continues the policy of nondeclaration may wish to devote substantial energy to academic advising to encourage students to choose a major. Two consortium institutions consciously decided to continue a loose policy but substantially bolstered the support for undeclared students by adding better advising and intensive orientation programs. In any event, the colleges have given serious attention to their policy on choosing majors.

Third, a further effort to bolster the academic program has been the development of extended "orientation courses" for freshmen. In addition to the regular orientation program at the beginning of the year, several colleges have established a required semester-long freshman orientation course. The objective is to ensure that no freshman simply "floats" into the college without proper advisement or a strong peer group. The freshman orientation course has been used at half the consortium institutions, and there is great enthusiasm for its value in reducing attrition.

**The debate over advising.** National surveys concerning attrition always arrive at one strategy that is used more widely than any other: better advising (for a full discussion and bibliography, see Crockett 1978 and Grites 1979). The consortium members have given much attention to advising. However, "better advising" has not been accepted as a dogma. Many campus leaders actually felt that too much money and energy was being spent on advising systems, with too little results. The debate grew rather intense among consortium members. Many people believed that

previous advising efforts—both through faculty and student services—had not been effective and in some cases had been scandalously weak. The move to increase the quality of advising is at the top of the agenda for the consortium colleges, but there is serious debate over how to accomplish the goal.

On the whole, most campuses feel that advising is vitally important, but that current practices simply do not live up to promised results. Consequently, many experiments have been proposed. One widely discussed strategy is the semester-long freshman course mentioned above. Several colleges decided to put money and personnel into such an orientation course rather than increasing the resources of the traditional advising program. Other colleges are experimenting with a special "freshman dean" who would supervise freshman advising, especially in academic matters. And in all the institutions there is increased concern about developing better advising programs for minorities and nontraditional students.

**Focus on the commuter student.** Commuter students are much more likely to drop out than resident students (Astin 1977; see Chickering 1974). The consortium campuses previously invested very little energy in enriching the commuter students' academic and social life. However, large amounts of money, student services, and programmatic effort had been directed toward resident students. At the consortium institutions, like most institutions throughout the nation, the commuter student was essentially a second-class citizen. The consortium colleges have recognized this problem and are working to overcome the second-class stigma of the commuter student. In fact, the consortium compiled some statistics to show that for most campuses a 10 or 12 percent improvement in the commuter dropout rate would provide a significant increase in retention for the entire institution.

One campus is building a new facility especially for commuter students; two campuses have opened up commuter-oriented wings in their existing student unions; two campuses have set up special budgets for social activities for commuter students; and several campuses have worked hard to improve such basic items as parking and bookstore hours. Throughout the consortium, then, there has been renewed attention to the commuter students' plight and promise.

**Linking recruitment and retention.** When the consortium began there was almost no link between the admissions offices and the retention task forces. As time went on, however, it became obvious that improving retention was fundamentally a question of improving the match between student needs and institutional resources. To put it another way, effective retention grows out of effective recruitment. The better the match between the student and the institution, the higher the retention rate will be.

As the consortium developed, the task forces quickly realized the significant link between recruitment and retention. Admissions directors became involved in retention task forces. Efforts were made on several fronts:

(1) publications and advertisements were reviewed to make sure they accurately represented the academic and social life of the college, (2) admissions directors were involved in developing the early warning systems described earlier, (3) more attention was paid to assessing the special needs of low-ability and nontraditional students, (4) "retention goals" were set up in the enrollment planning of many colleges just as "recruitment goals" have always been set.

**Summary**

Colleges and universities are not doing all they can to reduce student attrition. This is particulary ironic, since retention is one aspect of enrollment management institutions can control to a considerable extent. This chapter has briefly reviewed the dimensions of the problem and some preferred strategies for dealing with it. Neither recruitment nor retention problems, however, will be fully resolved until colleges and universities address some underlying governance issues. This is the focus of the remaining chapter.

## Institutional Response: Other Local Campus Issues

Our primary concern in the monograph is to look at the strategies and actions that local campuses must take in order to respond to enrollment problems. Enrollment management is, of course, a critical matter for policy planners at the federal and state government levels and for people at the headquarters of large state systems. But in the last analysis the local campus is the firing line for the enrollment battle.

Predicting the future is risky business. No one knows for certain whether we will have an enrollment crisis of major proportions or if we will move through the '80s with only minor adjustments. Furthermore, overreaction to an expected problem can do enormous damage to higher education.

In the 1960s planners thought that enrollments would increase forever, campuses had to expand, and more Ph.D.'s were needed. Overreaction occurred. Physical plants were overbuilt and resources were extended; now future overcapacity haunts some campuses. The supply of Ph.D's was pumped up; now many cannot find jobs. Graduate programs were expanded; now the costly programs bleed the resources of many campuses. Hundreds of new colleges opened, one a week during the 1960s; now many institutions are threatened with closing because of declining enrollments.

Institutions may overreact again in the face of the coming enrollment crisis. There is reason to be concerned that faculty numbers might be needlessly reduced, that faculty quality might be substantially undermined when institutions shift to part-timers, that expensive programs might be closed down only to be reopened later at enormous cost, that the enrollment increase predicted for the mid-1990s will catch many people offguard.

Many institutions, prodded by state planning agencies, have begun to develop master plans for retraction. Much energy is expended on these large-scale plans—with mixed results. After examining the planning on numerous campuses, we have become convinced that many of these exercises seem to be conducted in a vacuum, strangely divorced from ongoing campus realities. We have concluded that instead of overreaction with frantic schemes it will be wiser to perform well, with measured care, the important middle-range decisions that face us every day. Instead of vesting too much faith in grand master plans that will often turn out to be wrong, we can strengthen our institutions and create the flexibility that will allow us to adjust to a number of alternative futures. The goal is this: Build institutions that are flexible and dynamic so that they can respond adequately to whatever develops. If we cannot predict the future, then we should develop a flexibility and a response capacity to meet uncertainty.

A good start toward preparing for those alternative possibilities would be to pay careful attention to four critical, middle-range decisions: (1) planning strategies, (2) governance, (3) faculty personnel policies, and (4) links between faculty and student affairs personnel.

### Planning Strategy and Program Evaluation

Institutions facing an insecure and unpredictable future should try to build sophisticated and useful planning strategies. (For a good discussion and

review of major planning strategies, see Jedamus and Peterson 1980.) Colleges and universities have not always had strong planning departments, management information systems, or other tools for strategic planning. Institutional planning has often been a sterile attempt to prepare a state-mandated "long-range plan," which is subsequently ignored. As we move into a period of genuine uncertainty, the sophistication of management information systems and the expertise of planning staffs must be sharply intensified. Mingle and Norris have aptly stated this need:

> *Unfortunately, many institutions continue to take their stands on the basis of poor information. An absolutely essential element in planning in the context of a general decline is substantial information on the size and composition of future enrollment. This information can provide a road map for an institution to identify its major resource difficulties and a way of mobilizing the necessary internal support for making significant changes. Institutions where such data were available and appropriately distilled and communicated had more fully developed contingency plans than institutions where the data were unavailable, poorly presented, or tightly held by administration. Institutions in a growth mode tend to speak of this type of planning as "marketing," while those cutting back call it "enrollment planning." Both involve the same family of activities: the analysis of the characteristics, orientation, and geographic location of the students the college has attracted in the past and can expect to attract in the future, and a realistic assessment of the susceptibility of enrollment to institutional policies. When the analysis is extended to students already enrolled and when student characteristics are related to measures of "success and failure," the institution has achieved a comprehensive retention program upon which to base changes in institutional practices (1981a, p. 7).*

What forms does this information-gathering and planning activity take? In the next few pages we will mention some of the critical ones: analytical studies of cost and personnel patterns, program review, and management information systems.[1]

**Analytic studies of cost and personnel patterns.** Cost studies of institutional activities are an important planning tool. Measures of student-faculty ratios, support dollars per credit hour produced, and similar indicators are widely used by institutions to identify programs that have greater or lesser resources than average. Comparisons are made in two ways—between different academic programs at the same institution and between programs at different institutions. (See Miller 1980 for a more complete discussion of institutional performance appraisal.)

Because the strategies that effectively cope with shrinking enrollment

[1] Much of the sections on cost and personnel patterns and on program review are quoted, with only minor changes, from Mingle and Norris 1981a, pp. 2–4.

often involve personnel cuts, much planning activity is directed at gaining more detailed information on the composition of the work force in colleges and on the impact that changes in personnel policies would have on the institution's future ability to respond. Monitoring of tenure density is a key ingredient in institutions preparing for substantial cuts in faculty. These activities are absolutely essential for institutions needing to cut back, and for those attempting to find out where their flexibility lies, even if decline is not imminent (see Craven 1980).

**Program review.** Program review is not a new activity in higher education; it is just more rational and analytical than the process that served the institutions in the growth years (see Barak 1982; Green 1981; Lee and Bowen 1975). It can be conducted in many ways, using either external or internal evaluators. Critics of program review cite two problems. First, program review is often an expensive, lengthy process that results in little change. Second, evaluation often focuses on issues of "quality" rather than on the "centrality" of the program to the institution's mission. This judgment is best made by faculty and administrators from the institution itself. In spite of the justified criticisms, however, some type of program review is essential (see Dougherty 1979; Craven 1980).

Reassessment efforts eventually must deal with the criteria by which cuts will be made. This, of course, is a great stumbling block for faculty who are unaccustomed to making choices that mean continued employment and prosperity for some of their colleagues and job loss for others. Even when faculty reductions are not involved, it is difficult for professors to accept the idea that new programs and qualitative improvements should be introduced at the expense of other programs. Unfortunately, in many institutions it is no longer a matter of cutting low-quality, marginal programs, but programs that are viewed as laudable and needed but deemed too expensive to maintain. (For a fuller discussion see Barak 1981.)

Whether institutions choose to eliminate courses or programs, reductions in the faculty work force may be involved (see Mortimer 1981). The extent to which attrition is a viable tool for faculty reduction depends on the campus setting and on certain characteristics of the faculty. Many institutions have faculties that are relatively middle-aged and highly tenured, which does not promise much attrition through retirement. And since the academic market for faculty may decline even more dramatically in the coming years, the possibility of attrition through turnover may also diminish. The extent to which attrition can be used depends largely on the success of the various reallocation and reassignment measures that enable an institution to trim operations while still meeting academic commitments.

**Developing strong management information systems.** None of the planning tasks mentioned above—enrollment forecasts, mission clarification, cost studies, monitoring tenure, or academic program evaluation—can be performed without a solid Management Information System (MIS). Recent

studies of MIS effectiveness give mixed reports; most criticism focuses on the *use* of MIS in the decision process. Every campus should have an effective MIS, and both data managers and decision makers need to learn the procedures that translate the "raw data" into the decision process. Planning strategies, decision processes, and institutional data must be linked more systematically. (For a complete study of MIS in colleges, see Baldridge and Tierney 1979; see also the integrated enrollment management models discussed in Kemerer, Baldridge, and Green 1982).

**Governance**

How will the critical decisions about institutional response be made? What is the faculty's role in that process? American higher education has a strong tradition of faculty participation in decision making. The very term "governance" implies shared decision making between the faculty and the administration.

Shared governance has always taken different forms. First, faculty have had influence by the constant inflow of faculty members into administrative positions. Most key administrators were drawn from the faculty ranks. Second, academic departments were the basic link in shared governance because they developed programs, hired faculty, and set standards of performance. Third, academic senates were formed to help advise administrators on institutionwide matters. During the 1960s, academic senates matured; in some cases their influence was substantial (For studies on these issues see Baldridge et al. 1978).

**Threats to shared governance.** Today, as the enrollment and financial threats multiply, the governance situation has changed. In large state systems, faculty senates probably have lost some control over the institution because important decisions are increasingly made off-campus in the central system office or in the legislature. And particularly on unionized campuses, senates do not seem to be particularly effective because faculty unions undercut some of their authority and centralized administrations threaten them as well (see Baldridge et al. 1978, pp. 94–99 and chapter 9).

Other issues also suggest a weak role for faculty in the governance process. Roughly half the presidents in our 1981 survey agree with the statement, "The faculty here has only a perfunctory role in the preparation of the annual budget" (1981 National Enrollment Survey). When you consider that the budget process is a key decision-making event, this response certainly testifies to serious weakness in the shared governance concept.

As retrenchment pushes hard decisions upward in the system, the influence of academic departments may be substantially undermined. The right of academic departments to hire faculty, develop programs, and evaluate performance is often questioned. Departmental authority over program planning and staffing has been weakened because of tight budgets. Faculty unions are increasingly involved in setting the criteria for faculty performance. Budget-making authority is gradually moving up-

ward, centralized in the hands of administrators, out of the reach of department faculty. The administrators have a clear rationale: Times are lean and decisions must be centralized if waste and efficiency are to be eliminated. The argument undoubtedly has some merit, but it is overused as an excuse.

There is another threat to shared governance. Although data are largely absent, we suspect that the inflow of faculty into the administrative ranks has diminished. More and more we find that technocrats are running the shop—lawyers, financial experts, management information system specialists, and planning officers. The traditional process by which faculty members moved into administrative ranks and shaped institutional policy may be eroding. In some cases the key state planning officers have never had on-line responsibility in an educational organization; they have never been faculty members, never served as deans, and never been presidents of local campuses. But increasingly these technical specialists influence vital decisions affecting academic policy (see Kemerer and Baldridge 1976, pp. 184–85).

Unionization is at least partly due to changes in academic governance. Ironically, unions have been an enormous stimulant to increased centralization. In large public systems they are usually structured on a systemwide or statewide basis; they have a central headquarters much like the central administration of multicampus institutions. Central-office union officials talk primarily to main-office academic officials. Highly centralized unions are a perfect match for a highly centralized campus administration. In the long run, they cooperate with each other. Central management and union leadership speak the same language; in multicampus systems they work in the adjacent offices far away from campus. (For an updated study on the impact of collective bargaining see Baldridge and Kemerer 1981).

In short, it appears that shared governance may be an endangered species, especially in an era of retrenchment, financial uncertainty, and enrollment difficulties. More decisions are moving higher into the administrative hierarchy and farther away from the point of action. Furthermore, at the statewide level decisions are increasingly lodged in the legislative arenas, collective bargaining agencies, and the governor's office. Many presidents report that they feel they are middle managers rather than executives (see Baldridge and Kemerer 1981).

**How to strengthen the governance partnership.** Higher education needs strong, viable governance. Planners and administrators do not have all the answers. Faculty must be involved in the process.

What can be done? First, the faculty should not accept without intense investigation any administrative claim that decision making must be centralized in order to resolve a crisis. In some cases this is a valid claim. In many other cases it is nothing more than a smoke screen for administrative expansionism. Faculty must confront the issues of institutional survival. Although presidents believe faculty recognize the enrollment problem,

most do not see their faculties seriously involved in planning to meet the projected crisis (Table 6, statement 1). That situation must be changed if faculty are to rally behind the changes that will be needed.

Second, faculty statesmen should lead the effort to revitalize university senates. Instead of being a forum for petty complaints, the senate should serve as the conscience of the college community. Instead of simply criticizing the administration, senates could also make strong statements about faculty provincialism and encourage faculty to look beyond their departments to see institutional issues.

Third, where faculty unions exist the faculty must become involved in union affairs. Unions represent everybody in the bargaining unit. In many situations unions are captured by the narrow interests of disaffected and unhappy faculty members. Faculty who represent mainstream expertise and academic values must get involved in union affairs. The enrollment crisis—like it or not—will force retrenchment, and on unionized campuses senior faculty must work with the union as it struggles for fair procedures.

**Staffing and Personnel Policies**

Some of the most important decisions involve staffing. (For recent work on staffing practices in an era of retrenchment see chapters 7–10 in Mingle and Associates 1981; Craven's article is particularly relevant.) The quality of key faculty and staff is probably the most important factor affecting an institution's ability to respond to an uncertain future. In many ways institutions have a golden opportunity to build high quality staffs because of the oversupply of Ph.D.'s in some fields.

**Factors eroding faculty quality.** The Consumer Price Index has nearly tripled between 1967 and 1982. By contrast, faculty salaries have lagged far behind the cost of living, averaging only about a 124 percent increase since 1967 (see American Association of University Professors 1981; "Academic Salaries" 1982). Many state planners and trustees, although unhappy about this salary lag, nonetheless feel that the oversupply of Ph.D.'s, coupled with low salaries throughout higher education, gives faculty few options and makes for a "buyer's market." This is an entirely fallacious theory. The real question is not whether a bright young faculty member will leave a low-paying job at UCLA to go to an equally low-paying position at Yale. The real question is whether that person will leave UCLA to go to IBM. Furthermore, the oversupply is in low-demand areas (humanities, social sciences); there is a shortage in several high-demand fields such as engineering, business, and computer science (see Solmon et al. 1981, chapter 1).

A second quality-eroding factor is the effort of faculty unions to replace merit with seniority for pay increases and promotions. Where unions are strong there is constant pressure to make seniority the key element in promotion, tenure, and protection against retrenchment. Administrations usually hold out for the concept of merit, for peer evaluation, and for rewarding talent—although some people charge these lofty protestations

**Table 6: Presidents' Assessments of Faculty Involvement in Enrollment and Financial Concerns**
*(percentage of presidents who agree with statement)*

| | Public Research Universities (119) | Public 4-Year Colleges (354) | Public 2-Year Colleges (909) | Private Universities (65) | Private 4-Year Colleges (812) | Private 2-Year Colleges (238) | All Institutions |
|---|---|---|---|---|---|---|---|
| 1. Faculty have been heavily involved in developing strategies to cope with enrollment concerns. | 36% | 46% | 52% | 31% | 68% | 22% | 42% |
| 2. Faculty seem to understand this institution's financial concerns and problems. | 73 | 65 | 68 | 69 | 75 | 67 | 70 |
| 3. Faculty seem to understand the basic underlying causes of the enrollment crisis forecast for the 1980s. | 69 | 69 | 69 | 85 | 78 | 44 | 71 |

Source: 1981 National Enrollment Survey

actually cloak a desire to let administrators have the final decision. In the long run, however, the rash of grievances, the lawsuits, and the constant union pressure have caused many administrations to accept seniority rules. This trend seems to be accelerating, even in some nonunionized institutions. (For more details see Kemerer and Baldridge 1976; Baldridge and Kemerer 1981).

**The debate over part-time faculty.** Faculty quality also may be undercut because of the shift towards part-time faculty. Consider this situation: An administration is unsure of the future, believes it has too many tenured faculty, and is frightened by a strong union that will fight tooth and nail if the institution ever tries to retrench faculty. Under these circumstances it is only human for the administrators to look around for options to keep them out of hot water. The common solution is to hire part-time faculty.

The evidence of a shift to part-timers is strong. (See complete discussion of this issue in Leslie, Kellams, and Gunne 1982.) In the last decade, the percentage of part-timers among teaching faculty has increased rapidly:

> *Part-timers evidently are quickly coming to play a much more important role than was believed even a short time ago. In any case, it appears safe to estimate that about 210,000–215,000 part-timers are currently at work and that they comprise about one-third of all faculty members at American colleges and universities. Variance among sectors is indeed great. Part-timers are most heavily used in two-year community colleges, and least heavily used among major universities. Part-timers comprise more than one-half of all faculty in two-year colleges—in the fall of 1976, 55.8 percent (Leslie, Kellams, and Gunne 1982, pp. 18–19).*

Our 1981 survey also lends strong support. Forty-four percent of college presidents agree that, "We have made an effort to use more part-time faculty in order to gain flexibility" (Table 7). The public two-year institutions lead the pack (65 percent agree). And that policy goal has been translated into action. Statement 2 in Table 7 shows the strong move toward actually using part-timers—and public two-year colleges again spearhead the drive.

The reasons for this shift are obvious. Part-timers do not have to be given tenure, they can be paid less than full-timers, their benefits and insurance are not as great, and they can be fired without strong repercussions when they are no longer needed. We can easily understand why administrators concerned about an uncertain future will turn to part-timers as a short-range solution. (See the California Postsecondary Commission 1980 for a full discussion and bibliography.)

What about the instructional practices of part-timers? A recent report by the Center for the Study of Community Colleges reveals that part-timers differed from the full-timers on most measures related to instructional practices. When compared with their full-time counterparts, part-timers were less experienced, held lower academic credentials, made fewer ac-

**Table 7: Presidents' Assessments of Use and Performance of Part-time Faculty**
*(percentage of presidents who agree with statement)*

| | Public Research Universities (119) | Public 4-Year Colleges (354) | Public 2-Year Colleges (909) | Private Universities (65) | Private 4-Year Colleges (812) | Private 2-Year Colleges (238) | All Institutions |
|---|---|---|---|---|---|---|---|
| 1. We have made an effort to use more part-time faculty in order to gain staffing flexibility. | 48% | 35% | 65% | 8% | 32% | 22% | 44% |
| 2. We have actually increased the number of part-time faculty as a proportion of the total faculty. | 36 | 41 | 55 | 8 | 34 | 22 | 41 |
| 3. Part-time faculty do not perform as well as they should—even proportionately as well as their time commitments would indicate. | 18 | 23 | 15 | 8 | 16 | 33 | 18 |

Source: 1981 National Enrollment Survey

ademic demands on students, were less involved in the campus community, and engaged in fewer professional development activities (see Friedlander 1980, pp. 34–35).

Clearly there are many sides to this issue. Some women's groups may favor more part-time faculty positions to permit flexible job/family options. Some technical fields may find that part-timers are the only—or best—way to staff their programs. But the nagging doubts will continue about the impact of the career options and personal attitudes of the part-time faculty themselves as well as on the quality of the educational program. What action needs to be taken on this important issue?

First, no institution should allow the number of part-timers to grow without serious planning. Every campus should constantly monitor its mix of part-time and full-time faculty. This suggestion, of course, ties in with the need for good management information discussed earlier in this chapter.

Second, faculty unions should strive to upgrade the quality of life for part-timers. Unions should attempt to make part-time faculty just as expensive as full-timers. The decision to hire part-time people should be made on educational and programmatic grounds rather than from budget-cutting motives.

Such pressures from unions might lead part-time faculty to stand up and demand that they be treated as first-class citizens in the academic community. They could demand that the exploitation that is characteristic of their employment cease. They could demand a fair pro-rata share of pay and benefits. And minorities and women—a large proportion of the part-timers—could demand the end of revolving-door affirmative action policies.

However, if part-timers were paid and treated equally then institutions could demand that part-timers perform high-quality service, spend time with students, prepare as well as do full-timers, and increase their institutional commitment.

Finally, institutions must explore alternative styles for faculty employment. The current pattern is that full-time employment inevitably assumes tenure, that faculty organizations demand job security for full-time employees, and that the courts often favor the job rights of a dismissed full timer. It is no wonder that administrators with legitimate worries about maintaining flexibility will avoid the hassles of hiring full-timers and instead select part-timers.

Institutions must explore more extensively the possibilities of full-time employment on fixed-term contracts that do not necessarily lead to tenure. A non-tenure-track appointment with a fixed five-year contract, although not as desirable as a tenure-track position, may nevertheless be much better than a harried existence as a part-timer. Between the open-ended flexibility of hiring part-timers and the inflexibility of hiring tenured faculty, the no-tenure, full-time approach may hold some promise as a reasonable middle ground. It preserves some maneuverability while capturing more of the dedication and full-time attention of the faculty. Hampshire

College in Amherst, Massachusetts, for example, uses a somewhat similar strategy. Private colleges will probably have more flexibility to explore such options, but public institutions should also attempt to generate new employment alternatives (see O'Toole et al. 1980).

**Other policy questions about personnel.** Our 1981 survey asked presidents about changes in personnel practices since 1975. Table 8 shows that the majority of institutions (57 percent) have increased efforts to evaluate teaching (item 1) and that a sizable minority of institutions have increased the rigor of salary, rank, and promotion standards (items 2, 3, and 4). By contrast, surprisingly little attention has been given to incentives for early retirement (item 5), retraining under-utilized faculty for new functions (item 6), and retrenchment plans (item 7). These policies are often noted as key elements for planning a response to a possible enrollment decline. It is surprising that so little attention has been given to these key personnel policies. (For an extended discussion of these matters see California Postsecondary Commission 1980, pp. 66–92.)

Our case-study interviews suggest administrators, union leaders, and state policy planners agree that carefully constructed retrenchment policies are essential. Although designing a retrenchment policy is not easy, having such a document in advance is far superior to working without one or developing it when retrenchment is required. As shown in item 7, there are sharp variations by type of institution. The public sector is clearly more prepared. Other data—not shown in the table—suggest two critical facts. First, unionized campuses are far more likely to have a retrenchment policy (see Baldridge and Kemerer 1981). Perhaps one of the best contributions of collective bargaining has been to force the retrenchment issue to the front during negotiations. Second, private institutions anticipating the *worst* enrollment problems have done the *least* planning for retrenchment. This is a most discouraging observation, but it fits in rather clearly with the pattern of nonpreparation suggested in Table 8.

**Some reflections on personnel policies.** As we look back over these personnel matters several thoughts come to mind. First, local campus administrators cannot always have impact even if they want different policies. For example, administrators at public institutions are caught in a web of state regulations, legislative fights over social priorities, and collective bargaining contracts that are often negotiated far from the campus. Private college administrators, however, have much more flexibility on the matter of salaries. Certainly private sector administrators do not have a free hand, but their ability to maneuver is far greater.

On other issues, however, both public and private sector administrators can have influence. They can, for instance, have substantial control over institutional use of part-timers, innovations in full-time nontenure employment, the development of retrenchment policies, and the design of early retirement programs. Unfortunately, the record seems discouraging—much less effort has been spent on these contingency-planning issues

**Table 8: Presidents Reporting Increases in Personnel Programs, 1975–1980**

| Item | Public Research Universities (119) | Public 4-Year Colleges (354) | Public 2-Year Colleges (909) | Private Universities (65) | Private 4-Year Colleges (812) | Private 2-Year Colleges (238) | All Institutions |
|---|---|---|---|---|---|---|---|
| 1. Systematic efforts to evaluate faculty teaching competence | 54% | 59% | 50% | 50% | 64% | 56% | 57% |
| 2. Rigor of standards for faculty salary increases | 46 | 43 | 18 | 67 | 43 | 33 | 34 |
| 3. Rigor of standards for faculty promotion | 64 | 62 | 10 | 75 | 58 | 44 | 42 |
| 4. Rigor of faculty tenure standards | 67 | 58 | 10 | 75 | 61 | 57 | 42 |
| 5. Incentives for early retirement | 33 | 27 | 24 | 58 | 14 | 0 | 19 |
| 6. Systematic funded efforts to retain underutilized faculty for new or related fields or functions | 12 | 31 | 27 | 9 | 26 | 11 | 25 |
| 7. Developed a written retrenchment policy | 50 | 60 | 58 | 8 | 19 | 0 | 39 |

Source: 1981 National Enrollment Survey

than is mandated by the changing circumstances. If presidents are accurately answering our questions about personnel policies, then they are doing little to prepare for a potential tidal wave of personnel problems that may face them shortly.

In fairness, administrators may be doing other things—things we did not question them about. One of the prepublication reviewers of this book criticized us for overstressing the "lack of preparation" theme. This reviewer stated:

> *Two conclusions are drawn by the authors which might be criticized as unsupported by their survey data and the literature. First, that "colleges have done little to prepare for the 1980s."*
>
> *The policies taken from the survey data may or may not represent preparation. Early retirement and faculty retraining represent only very limited responses to decline which may have been considered and rejected. Long range reallocation schemes and program changes are probably better evidence of preparation for the 80's than either of these two. As for formal retrenchment policies, these may or may not provide "preparation." Restrictive collective bargaining agreements may actually severely limit future flexibility and prevent any effective response until conditions are so extreme that little can be done (CUNY in 1975 is a good example).*
>
> *In the absence of much discussion of the reasons behind certain types of organizational behavior, the authors came to a second more implicit conclusion—namely that institutional presidents are acting irrationally. One is left with the conclusion that the pattern of complacency and inaction referred to is due to ignorance and laziness. I would have preferred more discussion of the organization, legal and political restraints acting upon institutions. (Anonymous prepublication reviewer)*

Certainly it is true that campuses are caught in an entangled set of regulations, legislative restrictions, and bargaining contracts. The reviewer's point is well taken. Clearly there are many exceptions to the pattern of unpreparedness—in our case studies we saw quite a few aggressive efforts to prepare programs and personnel practices for expected troubles. This was particularly true in northeastern states where the enrollment difficulties are most pressing. (For a discussion of some of the outstanding efforts to plan for retrenchment, see the various articles in Mingle and Associates 1981; and in Kemerer, Baldridge, and Green 1982.)

Nevertheless, when we reflect on all our research and personal impressions, we feel that on balance there is considerably less preparation than there ought to be for a future that might be very difficult.

### Linking the Faculty and Student Affairs Personnel

The student affairs personnel on most campuses have a wide range of responsibilities: admissions, counseling, residence halls, registration, student dean's office, campus union, and so forth. Unfortunately, some faculty and administrators view this as a no-man's land about which they know

little and care less. Research on college impacts suggests the "student life" arena has a powerful influence on student development and growth. Alexander W. Astin argues that dorm life and advising are almost as important to student development as classroom instruction (see Astin 1975, 1977).

Student services frequently suffer disproportionate reductions during major budget cuts. Faculty and administrators sometimes consider the student-life components to be frills that can be eliminated without harming the academic program. This may be a suicidal trend. Over the years many institutions have reduced the residential aspects of their campuses so that they become commuter institutions—colleges with parking lots, few residence halls, and little opportunity for student involvement in campus life. For two decades institutions have given attention to expanding access, while at the same time reducing educational impact.

With the enrollment crisis looming on the horizon, the student life components may determine the very survival of some institutions. On the one hand, marketing and recruitment have become increasingly important to the very lifeblood of institutions. They are important "boundary-role" functions that link the institution with the outside world (Silverman 1971).

On the other hand, once students are enrolled, the quality of student life is one key element to keeping them in college. The student services staff perform a critical function for the institution, and they do not get the credit, pay, prestige, and respect they deserve.

What policy issues need to be confronted in this arena? First, administrators and faculty members alike should take a strong interest in strengthening student affairs operations: budgets, services, and staffing. They should avoid the temptation to take money from these services to bolster faculty and administrative budgets. This overall piece of advice—strengthen the student services—can be focused on recruitment and retention.

Second, every campus should put substantial resources into recruitment, admissions, and marketing. Institutions face an uncertain future; a rich and diversified student pool is essential. When the students were beating down the doors colleges needed little sophistication in this arena. Today colleges need professional, highly trained, and well-paid recruiting/admissions staffs. Any institution facing an enrollment crisis should immediately put money, resources, and energy into this effort. It should hire the best people available and it should give them the resources they need.

Third, every institution, whether it has an enrollment problem or not, should pay careful attention to attrition and retention. As outlined earlier, the facts are staggering. Roughly 50 percent of students in four-year colleges do not graduate from the campus they started, and roughly 30 percent of entering four-year college freshmen never finish at all. In two-year colleges, the attrition rate is considerably more than double the four-year college rate. In short, the facts suggest that colleges lose almost as many students as they graduate.

In summary, strong cooperation among student services, faculty, and administration, focused on the retention issue, can undoubtedly have enor-

mous influence on the institution's educational and financial viability. Renewed emphasis on "student life" issues is mandatory for any campus that anticipates enrollment shortfalls. (This topic is discussed in greater detail along with case study examples, in Kemerer, Baldridge, and Green 1982.)

**Conclusion**

This chapter discussed four policy areas that must be confronted by any campus facing enrollment problems: planning and curriculum review, governance, personnel issues, and the revitalization of student life. The chapter sought to answer the basic question: What can local campuses do about the projected enrollment crisis?

Chapters three and four on recruitment and retention offered hope that aggressive institutional action might cure—or at least forestall—the expected enrollment crunch. Chapter five, however, takes a different perspective. If all else fails and the enrollment crunch does come, what must the institutions do to prepare for the decline? The advice was simple and maybe even commonsensical. But our interviews and surveys revealed a disconcerting fact—although the necessary steps are obvious, most campuses have not yet taken them. Inaction, denial, and avoidance seem to be an all-too-common response thus far, at least at the local campus level. Surely this head-in-the-sand posture will soon change. It will because it must.

Let us conclude by quoting a few observations made by Mingle and Norris about their research into retrenchment planning:

> *First, it is apparent that no single strategy should be relied upon for the entire spending reduction which is needed. A combination of cutbacks in course offerings, program eliminations, staffing adjustments, and administrative consolidation should be considered. The cumulative effect of the savings from each strategy can be substantial.*
>
> *Second, precious time can be lost debating the likelihood of decline. The best advice may be to plan for the worst and hope for the best. Early action is needed to mobilize support. Institutions which waste away the last gasp of growth will be worse off than those which use the time of growth to prepare for decline.*
>
> *Third, when embarking on reassessment and cutback strategies, boldness is essential. Incrementalism is fine under conditions of growth but may not suffice under decline. Among the cases studied, it was found that the most successful retrenchments cut deeply enough to meet immediate and projected shortfalls and also to mount new programs or enhance existing ones. It is this second order of cuts which can be the positive side of retrenchment.*
>
> *Finally, strong leadership in carrying out the various strategies is undoubtedly an element in a successful response to decline. The most effective examples of leadership in the SREB study were presidents who were willing to educate, cajole, and inspire their faculties and staffs to face up to the*

*task of making difficult choices. Striking a balance between the unacceptable poles of unilateral decision making and indecision by committee, these presidents and their academic deans carefully laid out the prospects of their colleges to faculty and worked cooperatively to formulate plans to confront the challenges of decline. In this way, these leaders often captured a wellspring of creative energy in faculty and staffs, even among those who were personally threatened. As it turns out, uncertainty and inaction are even more disheartening than retrenchment. (Mingle and Norris 1981a, p. 4.)*

We do not know what the enrollment future of higher education will be. The gloomy facts of demography and the sharp knife of the federal and state budget cutters would lead us to predict a sharp, almost precipitous decline. But social institutions rarely change so fast—aggressive recruitment and sustained efforts at retention may turn the tide or at least slow down the decline.

Whatever happens, however, our message must be the same. To prepare for an uncertain future requires planning. And to back up the inevitable failures at planning requires built-in institutional resiliency, flexibility, and capacity. We cannot build brittle, understaffed institutions locked into a single image of the future. Instead we must make our day-to-day, middle-range decisions so that a healthy, responsive institution can adapt to a rapidly changing future. Building that institutional capacity requires attention to planning, to staffing, to governance, and to student services.

In the last analysis higher education's long-term health depends on quality and service to students, not on short-term gimmicks and shortsighted policies.

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